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COMMODITY CREDIT CORPORATION,  
DEPARTMENT OF AGRICULTURE

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HEARINGS  
BEFORE THE  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
EIGHTY-THIRD CONGRESS  
SECOND SESSION

---

SUBCOMMITTEE ON AGRICULTURE APPROPRIATIONS

H. CARL ANDERSEN, Minnesota, *Chairman*

WALT HORAN, Washington

OAKLEY HUNTER, California

MELVIN R. LAIRD, Wisconsin

JAMIE L. WHITTEN, Mississippi

CLARENCE CANNON, Missouri

FRED MARSHALL, Minnesota

ROSS P. POPE, *Executive Secretary to the Subcommittee*

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Printed for the use of the Committee on Appropriations







# COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

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# COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

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MONDAY, JANUARY 25, 1954.

## CANCELLATION OF COMMODITY CREDIT CORPORATION NOTES

### WITNESSES

TRUE D. MORSE, UNDER SECRETARY OF AGRICULTURE  
JOSEPH C. WHEELER, DIRECTOR OF FINANCE AND BUDGET OFFICER, DEPARTMENT OF AGRICULTURE  
HOWARD H. GORDON, ADMINISTRATOR, COMMODITY STABILIZATION SERVICE  
MARCUS B. BRASWELL, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE  
R. P. BEACH, BUDGET OFFICER, COMMODITY STABILIZATION SERVICE  
ROY MADDEN, BUDGET EXAMINER, COMMODITY STABILIZATION SERVICE

Mr. ANDERSEN. Gentlemen, the committee will come to order.

We will insert in the record at this point the President's estimate, House Document No. 303, and pages 1 through 7 of the justifications. (House document and justifications are as follows:)

THE WHITE HOUSE,  
*Washington, January 25, 1954.*

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress drafts of proposed provisions pertaining to the fiscal year 1954 for the cancellation of notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in the amount of \$741,817,478. Since the financial requirements of the Commodity Credit Corporation are rapidly approaching its present statutory borrowing authority, early enactment of the proposed provisions by the Congress is recommended.

The details of these proposed provisions, the necessity therefor, and the reasons for their submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
*Washington 25, D. C.*

The PRESIDENT,  
*The White House.*

SIR: I have the honor to submit herewith for your consideration drafts of proposed provisions pertaining to the fiscal year 1954 for the cancellation of notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in the amount of \$741,817,478, as follows:

"DEPARTMENT OF AGRICULTURE

"COMMODITY CREDIT CORPORATION

*"The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$609,930,933, representing the capital impairment determined by the appraisal of June 30, 1953, pursuant to sections 1 and 4 of the act of March 8, 1938, as amended (15 U. S. C. 713a-1, 4).*

"INTERNATIONAL WHEAT AGREEMENT

*"The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$129,816,634 for the net costs during the fiscal year 1953 (including interest through February 28, 1954) under the International Wheat Agreement Act of 1949 (7 U. S. C. 1641-1642).*

"ERADICATION OF FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

*"The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$2,069,911 for funds transferred and expenses incurred under this head through fiscal year 1953 (including interest through February 28, 1954), pursuant to authority granted in the Department of Agriculture Appropriation Act, 1953."*

The latest estimates of the Corporation's operations indicate that its obligations may exceed its present borrowing limit during the annual peak within the very near future. Hence, early enactment of the proposed note cancellations by the Congress appears necessary to enable the Corporation to fulfill its statutory responsibilities under the present price support program.

Current estimates also indicate that the Corporation's financial requirements will continue to rise in the fiscal year 1955. To cope with this situation, a legislative proposal to increase the Corporation's borrowing authority by \$1,750 million, effective July 1, 1954, is presently before the Congress.

I recommend that the foregoing drafts of proposed provisions be transmitted to the Congress.

Respectfully yours,

\_\_\_\_\_  
Director of the Bureau of the Budget.

*To expend from public debt receipts, cancellation of notes*

Authorization to date:

Applicable to fiscal year 1952:

Capital impairment.....	\$96, 205, 161
International Wheat Agreement.....	171, 740, 395
Eradication of foot-and-mouth disease.....	7, 057, 575

Total, fiscal year 1952.....	275, 003, 131
Applicable to fiscal year 1953.....	None

Request (H. Doc. 303): Cancellation of notes issued by the Corporation to the Treasury as follows:

Capital impairment.....	\$609, 930, 933
International Wheat Agreement.....	129, 816, 634
Eradication of foot-and-mouth disease.....	2, 069, 911

Total.....	741, 817, 478
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## PURPOSE AND NEED FOR PROPOSED AUTHORIZATION

## Situation

Latest estimates, based on a special survey conducted in field offices, indicate that obligations of the Commodity Credit Corporation required by law to be within its borrowing authority of \$6,750 million are very near the limitation. These obligations include borrowings from the United States Treasury and obligations to purchase on demand loans held by lending agencies.

In order to avoid exceeding the borrowing authority, it is proposed that the Corporation be given immediate credit for amounts due it under existing statutes for operations conducted in the fiscal year 1953. This credit may be accomplished by authorization by the Congress for immediate cancellation of notes held by the Treasury.

Such authorizations would ordinarily be included in the 1955 budget, but have been excluded therefrom in the light of the necessity for this proposal. The items involved are as follows:

Impairment to CCC capital as of June 30, 1953 (to be restored pursuant to the act of March 8, 1938)-----	\$609, 930, 933
International Wheat Agreement costs, 1953 (to be reimbursed in accordance with the International Wheat Act of 1949)-----	129, 816, 634
Reimbursement for advances to the Secretary for eradication of foot-and-mouth disease (to be reimbursed in accordance with Department of Agriculture Appropriation Act of 1953)-----	2, 069, 911
<b>Total</b> -----	<b>741, 817, 478</b>

It is believed that unless current estimates of the total volume of loans and purchases under the price-support programs for 1953 crops are considerably below the actual volume, this restoration of borrowing authority will be sufficient to carry on CCC operations during the remainder of the fiscal year. Legislation is in process which will when approved increase the borrowing authority of the Corporation to \$8.5 billion effective July 1, 1954. Both the request for action to cancel notes to restore amounts due the Corporation, and the proposed increase in CCC borrowing authority were discussed in the President's budget message to the Congress on January 21, 1954 (p. M75).

*Reasons for current situation*

The record or near record volume of price-support operations in wheat, corn, cotton, and dairy products, in addition to the large inventories of these commodities on hand at the beginning of the marketing year is the basic reason for the exhaustion of the Commodity Credit Corporation's borrowing authority. In addition, a larger proportion of the estimated total volume of loans to be made on individual commodities has occurred earlier in the marketing season than ever before. Also, dairy product purchases have been high for this season of the year.

The following comparison of the latest data available from the financial statements of the Corporation with those for a year earlier will indicate the tremendous change that has occurred in the investment in major commodities:

[Millions of dollars]

Commodity	Nov. 30, 1952	Nov. 30, 1953	Increase
<b>Corn:</b>			
Loans.....	27.8	329.8	+302.0
Inventory.....	449.9	522.3	+72.4
Total.....	477.7	852.1	+374.4
<b>Cotton:</b>			
Loans.....	61.4	980.2	+918.8
Inventory.....	32.4	33.3	+ .9
Total.....	93.8	1,013.5	+919.7
<b>Wheat:</b>			
Loans.....	722.5	871.6	+149.1
Inventory.....	364.1	1,184.0	+819.9
Total.....	1,086.6	2,055.6	+969.0
Dairy products: Inventory.....	5.8	381.9	+376.1
<b>Total of above:</b>			
Loans.....	811.7	2,181.6	+1,369.9
Inventory.....	852.2	2,121.5	+1,269.3
Total.....	1,663.9	4,303.1	+2,639.2
<b>All other:</b>			
Loans.....	332.7	484.4	+151.7
Inventory.....	193.9	461.1	+267.2
Total.....	526.6	945.5	+418.9
<b>Grand total:</b>			
Loans.....	1,144.4	2,666.0	+1,521.6
Inventory.....	1,046.1	2,582.6	+1,536.5
Total.....	2,190.5	5,248.6	+3,058.1

All price-support loans on grains are approved by county offices (approximately 3,000 of which have price-support programs). Information on the amounts of such loans is submitted in operating reports as of the middle of each month by State offices and as of the end of each month by the CSS commodity offices in their accounting reports. Information reported by the CSS commodity offices as of November 30, 1953, indicated obligations against borrowing authority were running considerably ahead of estimates made in December, and after operating reports as of December 15 indicated a continued heavy volume, it was decided necessary to make a special wire survey of grain loan approvals through January 15, 1954. This information was assembled on January 21 and, when combined with current information on borrowings and data on cotton and other loans obtained from field offices on January 22, indicated that the borrowing authority of \$6.75 billion was practically all obligated.

The timing of the loans and purchases which the Corporation is required to make is a factor of major importance in the demands on its borrowing authority. It was not anticipated that purchases of dairy products would begin this early in the year in volume. Neither was it anticipated that cotton would move under loan at such a rapid rate so early in the marketing season. Projections made in December indicated that the Corporation's obligations would approach its borrowing limit in February, but the additional volume in some commodities and the accelerated volume in others has caused the outstanding obligations to increase faster than anticipated.

Examples of the large increases in price-support loans and inventories since November 30 indicated by the special survey are as follows: grain (largely corn and wheat), \$571 million; cotton, \$250 million; dairy products (purchases), \$40 million. Not all of the grain loans reported as approved were disbursed by January 15, but it is probable that they will have been by January 31. In addition, a continued heavy volume of these loans, and of cotton loans, is anticipated. Also, it appears that purchases of dairy products will become increasingly heavy due to high production and trade anticipation of a lower support level after March. Price support is available on wheat through January 31, corn through May 31, and cotton through April 30. These factors clearly indicate the likelihood that

the Corporation's borrowing authority will be exceeded by recorded obligations as of January 31 unless action is taken to relieve the situation before that date.

It is urgently necessary that the action proposed be taken at once to relieve the pressure on the Corporation's borrowing authority. It is not possible to cease extending price-support loans and making price-support purchases as required under existing statutes, and any doubt that may be created as to the ability of the Corporation to meet its obligations could cause extremely serious repercussions.

#### *Restoration of capital impairment*

The act of March 8, 1938, provides that an appraisal of the assets and liabilities of the Commodity Credit Corporation be made each year to determine net worth. If the net worth is less than \$100 million the Secretary of the Treasury is required to restore, upon authorization by the Congress, the amount of the capital impairment. If the net worth exceeds \$100 million, the Corporation is required to pay the surplus to the Treasury. Asset values for appraisal purposes are prescribed in the act as the lower of cost or average market prices for the month of June.

The appraisal as of June 30, 1953, indicated a capital impairment of \$609,930,933. The major factor involved in this capital impairment in the fiscal year 1953 was the increase in estimated losses on inventories owned by the Corporation, largely in corn, wheat, dairy products, and cottonseed products. Realized losses during the fiscal year aggregated \$114.3 million, of which \$61.1 million represented the realized program loss on price-support operations.

#### *International Wheat Agreement costs*

The International Wheat Agreement operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries, at stable and equitable prices.

Under authority contained in the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641-1642), capital funds of Commodity Credit Corporation are used to pay (a) the difference between the price specified in the agreement and the domestic market price of wheat, and (b) administrative and interest costs. The following summary shows, by major cost elements, Commodity Credit Corporation costs since the beginning of International Wheat Agreement operations:

	Fiscal year 1952 (fiscal year 1950 operations)	Fiscal year 1953 (fiscal year 1951 operations)	Fiscal year 1954 (fiscal year 1952 operations)	Fiscal year 1954 supple- mental (fiscal year 1953 operations)
Differential payments to commercial exporters..	\$36,762,870	\$99,712,669	\$128,327,482	\$121,239,334
Due Commodity Credit Corporation for export of price support and supply stocks.....	38,873,852	78,659,163	38,843,999	4,923,647
Interest.....	1,171,278	3,790,418	4,568,914	3,653,653
Reimbursement by appropriation.....	76,808,000			
Reimbursement by cancellation of notes.....		182,162,250	171,740,395	129,816,634

During the fiscal year 1953, 223,703,898 bushels of wheat and wheat flour (bushel equivalents) were exported from the United States pursuant to the International Wheat Agreement. The net cost to the United States of such exports was \$129,816,634, or an average of 58 cents per bushel, which cost represents the difference between the domestic market price and the maximum International Wheat Agreement price, and administrative and interest expense. Exports from commercial stocks for which differential payments were made amounted to 215,651,965 bushels, while exports from CCC-owned stocks (acquired under the price support program) were 8,051,933 bushels.

The attached table shows the source and quantity of these exports, amount due CCC and average cost to CCC per bushel, by countries.

#### *Eradication of foot-and-mouth disease*

After discovery of foot-and-mouth disease in Mexico in 1946, measures were undertaken to prevent the spread of the disease into the United States and to assist Mexico in control and eradication. Eradication of the disease was accomplished and on September 1, 1952, Mexico was declared free of the disease. However, in May 1953, a new outbreak occurred and cooperative eradication measures have again been undertaken. In February 1952 an outbreak of the disease in



Canada made it necessary to undertake protective measures to prevent entry of the disease from that source. Canada was declared free of the disease on March 1, 1953. Due to the unpredictable course of the disease, the Department has been authorized to transfer needed amounts from any funds available to it. Replacements of these transfers have been made from subsequent appropriations and by canceling notes issued by the Commodity Credit Corporation to the Secretary of the Treasury. The following table summarizes the transfers and expenses for this purpose applicable to the fiscal year 1953 (including interest through February 28, 1954):

1. Cooperation with the Government of Mexico in the control, eradication, and prevention of foot-and-mouth disease:	
Payments made to the Mexican-United States commissions for the eradication and prevention of foot-and-mouth disease in Mexico.....	\$73, 399
Direct Federal expenses for program in Mexico.....	941, 223
Total.....	1, 014, 622
2. Mexican border inspection and quarantine.....	712, 198
3. Protective measures to prevent entry of foot-and-mouth disease from Canada.....	487, 241
4. Interest:	
Actual on advances made prior to June 30, 1953.....	176, 033
Amount provided by 1954 cancellation of notes for estimated interest from July 1, 1952, through June 30, 1953.....	—140, 253
Total.....	35, 780
Total.....	2, 249, 841
Less:	
Prior year adjustments in expenses incident to handling of canned meat and meat products.....	—682
Prior year balance available in 1953.....	—396, 934
1953 balance available in 1954.....	+170, 873
Total due June 30, 1953.....	2, 023, 098
Estimated interest through Feb. 28, 1954.....	46, 813
Total.....	2, 069, 911

#### GENERAL STATEMENT

Mr. ANDERSEN. Mr. Morse, will you give us a general statement with reference to the matter before us this morning?

Mr. MORSE. I will be happy to, Mr. Chairman and members of the committee.

The latest estimates of the program volume of Commodity Credit Corporation operations indicates that its statutory obligations approximate its authorized borrowing limitation of \$6.75 billion. Pending action on legislation which has been recommended to increase the total borrowing authorization to \$8.5 billion, the President is requesting immediate action to cancel CCC notes in the amount of \$741,-817,478, representing amounts due the Corporation under existing statutes for operations conducted in the fiscal year 1953, as follows:

Impairment to CCC capital as of June 30, 1953 (to be restored pursuant to the act of March 8, 1938).....	\$609, 930, 933
International Wheat Agreement costs—1953 (to be reimbursed in accordance with the International Wheat Agreement Act of 1949).....	129, 816, 634
Reimbursement for advances to the Secretary for eradication of foot-and-mouth disease (to be reimbursed in accordance with Department of Agriculture Appropriation Act of 1953).....	2, 069, 911
Total.....	741, 817, 478



It should be emphasized that these cancellations would normally be provided for in the regular 1955 Appropriation Act. Therefore, early enactment of the cancellations affects the timing of the action rather than the amounts.

I would like to briefly review the background of the current situation.

The borrowing authority of the CCC is limited to \$6.75 billion by the act of March 8, 1938, as amended, and the CCC Charter Act. The law requires that the Corporation's borrowings from banks and the United States Treasury plus obligations to purchase demand paper held by lending agencies under agreement with the Corporation shall not exceed this limit.

On the other hand, the Agricultural Act of 1949 requires, among other things, that the price of basic commodities (corn, cotton, wheat, rice, peanuts, and tobacco) be supported at 90 percent of parity through the 1954 crops and that the price of milk and butterfat be supported at 75 to 90 percent of parity. This requirement means that the Corporation has no choice but to extend loans or make purchases, as the case may be, at the stated support prices on any quantity of these commodities which may be offered for price support.

Record or near record crops of corn, cotton, and wheat, and increased production of dairy products, together with reduced exports have resulted in the accumulation of supplies which are considerably in excess of current domestic needs. The result has been reflected in prices for these commodities below the support level. This, in turn, has resulted in extremely large quantities of these commodities being placed under price-support loans or sold to the CCC, and has also brought about a considerable reduction in sales of inventories accumulated from previous price-support program. The result has been a tremendous increase in the obligations against the borrowing authority of the CCC.

As of October 31, 1953, the amount of Treasury borrowings and loans held by lending agencies was approximately in line with our earlier estimates. On the basis of the October 31 figures, a projection was made early in December which indicated that the Corporation's obligations would approximate its borrowing authority in February. As a result of this projection, we advised the Budget Bureau on December 17 of the situation, recommended the advance cancellation of notes as a corrective measure, and requested that the items be submitted to the Congress for the earliest action possible. Accordingly, the cancellations were eliminated from the 1955 budget, and the President's budget message states that "This note cancellation will require immediate action by Congress to insure that the Corporation can fulfill its statutory responsibilities under the present price support program."

As of November 30, 1953, the total investment in price-support loans and inventories was \$5.2 billion, an increase of \$3 billion over that a year earlier. Of this increase, \$2.6 billion represented increased investment in loans on and inventories of corn, cotton, wheat, and dairy products.

When the November 30 status of the borrowing authorization became available early in January, it indicated that obligations as of November 30 exceeded our estimate by over \$400 million. We immediately instituted a survey by wire of the loans on grains that had

been approved through January 15 by the approximately 3,000 county offices which approve these loans. These data, plus additional current information from the CSS commodity offices, were brought together on January 22. They indicated a substantial increase in obligations, and that a margin of only about \$16 million of borrowing authority remains available. It appears from the results of this survey that the Corporation's borrowing authority will be exceeded by January 31 unless immediate action is taken.

Any doubt that may be created as to the ability of the CCC to carry out its commitments to support prices as required by law or to meet obligations which it has already incurred in its price support operations could have extremely serious economic consequences. For this reason we are recommending emergency action by the Congress to accomplish immediate cancellation of notes held by the Treasury in the amount of \$741.8 million.

I wish to submit the following figures showing the current status of CCC borrowing authority for the record.

(The material referred to is as follows:)

*Current status of CCC borrowing authority estimated on Jan. 22, 1954*

Statutory borrowing authority-----	\$6, 750, 000, 000
Less:	
Borrowings from United States Treasury (Jan. 21, 1954)-----	\$4, 063, 000, 000
Obligation to purchase commodity loans held by lending agencies:	
(a) Individual loans (estimated)-----	1, 215, 000, 000
(b) Certificates of interest as of Jan. 15, 1954-----	1, 451, 000, 000
Obligation for guaranty of storage facility and equipment loans held by lending agencies (estimated)-----	5, 000, 000
	<hr/>
	6, 734, 000, 000
Net statutory borrowing authority available-----	16, 000, 000

STATUS OF BORROWING AUTHORITY

Mr. ANDERSEN. Mr. Morse, you stated that the latest estimates indicate a substantial increase in obligations, and that a margin of only about \$16 million of borrowing authority remains available. Is that as of January 22, as far as you know?

Mr. MORSE. Yes, that is the best estimate we have.

Mr. ANDERSEN. How does this compare with the status as of last June 30 and November 30?

Mr. BEACH. As of June 30, 1953, the total statutory obligations against the borrowing authority were \$3,900 million. As of November 30, they were \$5,673 million.

CAUSES OF INCREASES IN LOANS AND PURCHASES RECENTLY

Mr. ANDERSEN. What are the factors that have caused the heavy increases in loans and purchases in the past few months?

Mr. MORSE. They have been the lower level of prices and the more rapid increase in the loans than has previously been the case.

Mr. ANDERSEN. The main factor, you would say, is the low price level; is that not so?



Mr. MORSE. Yes.

Mr. ANDERSEN. In fact, very little of the new corn, for example, is going on to the market.

Mr. BEACH. The new corn has been going under the loan at an extremely rapid rate. The same thing has been true of wheat and cotton. Another thing is they are going in at a faster rate than usual; earlier in the season than has been usually the case.

Mr. MORSE. Mr. Howard Gordon, President of the Commodity Credit Corporation, is with us.

Mr. ANDERSEN. Do you have anything, Mr. Gordon, to add to that?

Mr. GORDON. No. I think that that accounts for this sudden spurt, the fact that exports are off, that the current market situation is not favorable, and they are simply pushing these loans through at a more rapid rate than would be normally true, so the peak is being reached in January rather than February, as we would normally anticipate.

#### ESTIMATES OF COMMODITIES TO BE TAKEN OVER IN NEXT 90 DAYS

Mr. ANDERSEN. Now, Mr. Morse, what quantity of the various commodities do you expect to take over during the next 90 days, and how much money is involved in each?

Mr. BEACH. We have no way of telling what we might have in the next 90 days.

Mr. ANDERSEN. I am asking you for your best estimate.

Mr. BEACH. At the same time we made this prior survey of the grain loans that have been approved, we got an estimate of what would be approved in the last half of January. The estimate was \$130 million of grain loans for the last half of January. That would cover practically all the remaining grain loans to be made except corn, which would continue on through May 31, as you know.

With regard to cotton loans, our current estimate is a total volume of 6,500,000 bales, but the trade is now estimating we will have about 7 million bales going under loan. Availability of cotton loans closes April 30.

As of January 15 we had 6,135,000 bales under loan, so you can see that we have 900,000 bales, roughly, to go under loan between now and April 30, possibly.

In the case of dairy products, the purchases have been increasing rapidly. We bought \$40 million worth from November 30, 1953, through January 19, 1954. With the anticipated lower support level in the next marketing season, we anticipate an increased take on dairy products, possibly as high as \$1 million per day.

Loans on small grains, as I mentioned, will be over by January 31.

So corn, cotton, and dairy products will be the three major items that will require use of borrowing authority after January 31.

Mr. ANDERSEN. Mr. Gordon, do you have any comment to make before I throw the meeting open for questions?

Mr. GORDON. No.

Mr. ANDERSEN. Mr. Horan.

Mr. HORAN. I think that we are right in the middle of what is going to be the farm issue in the coming election.

The Government has no alimentary canal, as far as I know. The Government itself cannot eat all this stuff that we are buying.

Mr. MORSE. That is certainly true.

Mr. HORAN. If we are going to have price supports, we are going to have to have some sort of antidotal marketing system to get rid of the things the Government buys by one system or another. That was inherent in the President's message to us on the farm program. The stuff that we are buying through price supports we either have to give away or find some system to dispose of it. There can be no prosperity without the consumption of that which is produced.

Price supports inherently stepped up production and we did it to the nth degree during the war. Now we find the very people that we have been aiding are entering our markets and taking them away from us.

I was surprised at the cost of the Wheat Agreement. Is that for just 1 year? We know that Turkey is taking our best European market away from us in wheat, and that is Germany.

That, of course, is all going to be exposed in the coming election. It is going to be the thing that is going to swing the Midwest; there is no question about it. I can say right now and here that we might as well face the facts. We are going to have these price supports with us and we had better get prepared to take care of them.

#### PENDING LEGISLATION TO INCREASE CAPITAL STOCK

Is there any pending legislation to increase the capital stock of the Commodity Credit Corporation?

Mr. MORSE. That has been introduced in the Senate, I understand, and in the House also.

Mr. HORAN. What are the numbers of the bills?

Mr. BEACH. The Senate bill is S. 2714, introduced on January 15 by Senator Aiken, and the House bill is H. R. 7339, introduced by Mr. Woleott on January 18.

Mr. HORAN. That would amend the charter of the CCC to increase its capital stock so we can take care of this purchasing by the Government of surplus stocks?

Mr. BEACH. There are two laws involved. One is the charter act of the Commodity Credit Corporation and the other is the act of March 8, 1938, both of which carry this limitation.

The bills introduced provide the act shall be effective July 1, 1954.

Mr. HORAN. Now, since the Government has no digestive system, how are we going to get rid of this stuff?

Mr. MORSE. We have stepped up our efforts to make the foreign operations more effective.

Mr. HORAN. In what way? We are losing ground in the International Wheat Agreement. I do not understand.

Mr. MORSE. As you know, we have been trying to strengthen the foreign agricultural service. In addition to the International Wheat Agreement we are providing some subsidies for exports outside of the International Wheat Agreement.

Mr. HORAN. We have at least a pending program to deal with the field of international trading in produced commodities in this country. However, they are ineffective for any number of reasons, all of which are well known to the Department of Agriculture.

This is not a partisan measure actually, because the two most exportable commodities in this country come from the South—cotton



and tobacco—so we have a problem here that we ought to face in every light. I hope that you gentlemen appreciate that also.

#### EFFECT OF CANCELING NOTES

Now, the people at the grassroots, and even my banking neighbors back home, about all they know is what they read in the headlines.

Please tell me what you mean—and use curbstone English if you can do it—by this cancellation of notes. It sounds like we are just writing off an obligation. That is not so. Tell me in curbstone English exactly what we are doing today so that we will all know and so we will all understand it.

We are buying more food than the Government can eat, or the people. We cannot sell it. It costs money to buy this food. We are putting it into storage. What is our storage bill a month?

Mr. BEACH. It is about \$14 million a month.

Mr. HORAN. That is the storage bill alone.

Tell me in curbstone English what we are doing today.

Mr. WHEELER. What we are recommending be done today is to restore the impairment of CCC capital stock as of June 30, 1953, pursuant to the act of March 8, 1938. That act provides as of June 30 of each year the Treasury Department shall make an appraisal of the assets and the liabilities of the Corporation.

If, as a result of that appraisal, as of June 30, the capital of the Corporation has been impaired, that is, if during the previous year there has been a loss in its operations, then the Congress is authorized to appropriate to the Secretary of the Treasury an amount equal to that impairment in order to restore to the Corporation that loss.

Mr. HORAN. I think that everybody understands that. When we appropriate the funds of the taxpayer, I think the taxpayer understands that. Everybody does. We just dip into the Treasury and we appropriate for a direct purpose.

What do we do when we cancel? That sounds like an easy way out.

Mr. WHEELER. The effect is precisely the same. Rather than go through the bookkeeping transaction of appropriating the money and then immediately paying it back into the Treasury, notes held by the Treasury against the Corporation in an amount equal to this impairment are simply canceled, and the same effect is achieved as a simple bookkeeping transaction. It is a procedure for handling this restoration that has been in effect for a number of years.

Mr. HORAN. In other words, what we are really doing this morning is appropriating this much money?

Mr. WHEELER. The effect on the Treasury would be exactly the same, whether you adopt the appropriation method of handling it or whether you cancel the notes.

Mr. HORAN. In other words, we are not fooling anybody here. What we are really meaning here is to obligate the American taxpayer to the extent of \$741 million.

Mr. WHEELER. Actually this transaction recommended today does not by itself have any effect on the expenditures of the Government. The impairment being restored has already occurred. This is simply, in accordance with law, restoring to the Corporation the amount of impairment that occurred in the fiscal year 1953. It does have the effect, in view of the fact that we are near the limit of the borrowing

authorization, of making that much additional available for operations under the borrowing authorization ceiling, and that is why it comes up at this time rather than waiting for the normal course of events when these same items would be carried in the 1955 appropriation act.

In a nutshell, we are asking that the Corporation be reimbursed for these costs and losses a little sooner than would otherwise be the case, because of the fact that the borrowing authorization has been practically exhausted.

Mr. TABER. May I ask a question there? If the Congress puts this through, how long will you be able to operate?

Mr. WHEELER. Mr. Taber, our estimate up to now has been that this would enable us to go through until July 1, 1954, at which time it is anticipated the increase in CCC borrowing authorization would have been approved by Congress. However, in the light of these figures which were compiled only last Friday, we feel we must immediately restudy this situation, looking perhaps toward requesting that the increase in borrowing authorization be made effective before July 1. Certainly, this cancellation will carry us through the immediate emergency as of January 31, and even based on these projections it looks as if it might carry us through February, which heretofore has always been a peak month.

Mr. TABER. You would not hope that it would carry you beyond the end of February?

Mr. WHEELER. I think that we would be unwise to count on it. It looks as if it would be close.

Mr. HORAN. If we are going to maintain price supports, and I am in favor of them, but if we are going to be honest with the Department of Agriculture we have to keep these funds adequate so that they can handle the obligations that are imposed upon them. If we are going to continue to produce crops we cannot sell, and if the Government is going to continue to buy them—and the Government has no digestive system—we are going to have to store them. Our storage bills are going to increase from month to month. I just hope that the hearings this morning will make a little more sense of the President's farm program to the Congress of about 10 days ago.

If we are going to keep on supporting crops, and if we have a storage bill today of \$14 million a month, we better get rid of it some way. I am for immediate action on this. I think that we are obligated to do it.

Mr. ANDERSEN. Mr. Laird.

#### SUPPORT FOR DAIRY PRODUCTS

Mr. LAIRD. I notice from all of the releases, and from much of the information that goes out of the Department of Agriculture, that they always seem to refer to the great amounts of dairy products that the Commodity Credit Corporation is buying. From these figures showing the actual dollar purchases and loans on some of the basic commodities, the dairy products are in a position of being rather insignificant. The obligations are as follows: Corn, \$852,100,000; wheat, \$2,055,600,000; cotton, \$1,013,500,000; dairy products, \$381,900,000.

From what I have been reading in some of the metropolitan newspapers and in some of the columns of the news commentators, I



would believe that the situation was much different from what this report shows.

Mr. MORSE. These figures I am sure are correct, sir.

Mr. LAIRD. I noticed in your comment that you referred to the fact that the support level on dairy products would be decreased.

Has there been a decision made that the support level on dairy products is going to be decreased at the same time the basic commodities are required by statute to be maintained at 90 percent?

Mr. MORSE. No decision has been made, but the Secretary did indicate in the Senate hearings that to comply with the law consideration certainly needed to be given to a decrease in the support level of dairy products.

Mr. LAIRD. Is there not also reason to consider the support level under basic commodities in establishing support level of dairy products? Should not the Secretary take into consideration the support level under other crops at the time the dairy support level is announced?

Mr. MORSE. I do not have that before me at this time. There is a provision that the rate of support would be set at a level that would assure an adequate supply of dairy products.

Mr. LAIRD. When is this announcement going to be made?

Mr. MORSE. It would have to be made before April 1, but no time has been set as to the announcement.

Mr. LAIRD. The statements that have been made lately have had an effect on the market as far as dairy products are concerned. People do not know exactly what is going on down here in Washington, and as a result a lot of the cheese and butter products are being sold to the Government at the present time. This will increase due to the statements that are continuing to be made in Washington that this support level is going to be decreased.

I personally feel it is discriminatory against the dairy industry to support dairy products at a different support level than the so-called basic commodities. I think the President's program is fairer to the dairy industry than the present program for the reason that dairy products are treated on a comparable basis with the so-called basic crops.

Mr. MORSE. The matter is under consideration. There is always the question of when is the best time to come out with an announcement. There is always the inclination to go closer to the date that it would become effective, and that, along with the other factors bearing on what the level should be, are under consideration, I can assure you.

I now have before me the Agricultural Act of 1949. Under section 201 (c) is this provision:

The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum or less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

Mr. LAIRD. What attempt is the Commodity Credit Corporation making to move some of these stocks of dairy products held by the Commodity Credit Corporation? The Advisory Committee made certain recommendations. Those recommendations have not been carried out as far as the disposal of some of the butter is concerned. What consideration is being given to selling butter back through the trade thus establishing a price to the consumer by averaging in

the sales from the Commodity Credit Corporation with current production? At the same time, the administration here at a high level has given consideration to the sales of butter at the world market price to Russia and her satellites. Consideration, it seems to me, should be given at a high level to sales from the Commodity Credit Corporation back to the trade. It seems to me that consideration should immediately be given to this. If a subsidy is to be paid certainly United States consumers and friendly nations should be considered first.

Mr. MORSE. I can assure you that the proposal of today—in fact all proposals to deal with this difficult situation of dairy product support—has been given full consideration and very arduous study throughout the past year.

As to these recent proposals, I would like to turn to the President of the Commodity Credit Corporation, Mr. Howard Gordon.

Mr. GORDON. I agree that it would not appear we have been giving much consideration to these proposals, but I do not know of anything that has received more study than these two proposals. There are two, as you know, principal proposals. One is for a blended price, which would reduce the price of butter to the consumer by some 15 or 16 percent, and was supposed to have the effect of reducing Commodity Credit Corporation inventories rather substantially. That proposal at first had a lot of support throughout the dairy industry from all segments.

Here recently the support has dwindled until there is very little support for it for this reason: If Commodity Credit Corporation butter were sold at the rate of 30 million pounds a month to the trade at a price of 10 cents a pound, it would be possible to reduce the price on a blended basis to the consumer by about 15 or 16 cents a pound, and we anticipate that that would not increase consumption by over 14 million or 15 million pounds a month over the 90 million normal, with the result that we would have to buy back again the remaining 15 million or such pounds at the support level, and it would take 3 years to work off the present inventories.

So there is not too much promise in that plan when you come right down to a careful study of it.

Mr. CANNON. Off the record.

(Discussion off the record.)

Mr. GORDON. The second plan proposed is that the Commodity Credit Corporation buy every pound of butter produced or dairy products produced, immediately turn around and sell the butter to the trade at a price of 30 cents a pound. Now, there has been some question in the Solicitor's Office about the legality of that plan because of the legislative history back of the legislation. We are trying to clear that up now.

The advantages of that plan would be that you would move all current production into consumption at a price perhaps of 46 cents or 47 cents a pound, and probably would be able to move substantial amounts out of the present inventory. Perhaps 80 million pounds in the first year.

So there is promise both of reducing the inventories of the Commodity Credit Corporation, eliminating the necessity for taking over additional inventories of butter with the storage problems that are involved, and a very substantial reduction in the price to the con-



sumer, which should result in the recapture of a substantial portion of the market for butter.

Mr. ANDERSEN. Mr. Taber, do you have a question at this point?

PURCHASE OF SURPLUS AGRICULTURAL COMMODITIES UNDER MUTUAL SECURITY PROGRAM

Mr. TABER. I remember there was something like \$200 million put into the mutual security bill for the purpose of buying surplus agricultural commodities.

Mr. WHITTEN. \$250 million was authorized, I think.

Mr. TABER. The act said not less than \$100 million and not more than \$250 million. The bill had \$100 million as it passed the House, and the Senate added another \$100 million, which was approved in conference. So there was \$200 million available.

Mr. ANDERSEN. I think those are the correct figures.

Mr. TABER. I am sure that they are right.

Has any of that \$200 million been used? It does not appear in this statement on wheat. I am wondering why.

Mr. BEACH. That statement you have there is only the record of international wheat contracts last year, 1953. There has been a total of \$46 million of transactions approved under section 550. Whether or not the actual disbursements have been made, I do not know. There is no way to tell from this information. There have been projects approved for commodities which would account for \$46 million.

Mr. TABER. Where these funds have been made available, I do not understand why they haven't been used.

Mr. BEACH. We have received considerable funds from the Foreign Operations Administration, and they would be reflected immediately in our repayment of notes to the Treasury, which would give us the benefit of those funds under our authority, so whatever funds we have received have been used to repay notes.

Mr. ANDERSEN. Mr. Whitten.

Mr. WHITTEN. Mr. Morse, first I want to say that I agree thoroughly with our chairman, that immediate action is very essential in this matter. I do think the record should be made clear with regard to what the farm program is. We should know the facts about the present situation.

As I understand it, Mr. Benson is not available today to present the situation.

Mr. MORSE. We assumed this testimony would be on the emergency of this situation, the need for this restoration, and that the inquiry would be in reference to that.

PURPOSE OF PRICE SUPPORT SYSTEM

Mr. WHITTEN. Is it your understanding that the farm price-support system is primarily for the purpose of stabilizing farm income to the American farmers and assuring sufficient return? Is that the primary purpose?

Mr. MORSE. Help stabilize the agricultural prices.

Mr. WHITTEN. Received by the farmers?

Mr. MORSE. Yes, sir.

Mr. WHITTEN. So that he can take care of natural resources, the land and other resources, and at the same time meet other problems?

Mr. MORSE. It would certainly be good practice to protect the agricultural resources in the process.

Mr. WHITTEN. You should think his return should be ample to do that.

Mr. MORSE. For the individual farmer——

Mr. WHITTEN. To enable him to do it.

Mr. MORSE. Yes, sir; and at the same time I would like to suggest that when incentives for all-out production are continued past the point of the war and postwar requirements such as has been done in this instance that one effect which is common knowledge has been a continued excessive cultivation and farming of land which has worked against conservation rather than with it.

Mr. WHITTEN. I had reference to the price level now and the purpose of the price-support system is to give some stability and assurance of price to the farmer.

Mr. MORSE. Yes, sir.

Mr. WHITTEN. Is it your opinion that that price level to the farmer should be sufficient to enable him to take proper care of the soil without further depletion of it?

Mr. MORSE. Yes, sir.

Mr. WHITTEN. Is it also your view that all peoples and all governments have the inherent right to offer in the world market any and all commodities at prevailing or competitive prices? Wouldn't you think American farmers and other farmers should have the right to offer in world markets whatever they have and do not need for world or competitive prices?

Mr. MORSE. That would have to be done with due regard to what you do to world trade. We have these very complicated trade relationships which have been established between countries.

Mr. WHITTEN. You think it is sound, then, for the American farmer to be forced to hold off the market, or the Government to hold off, all our production and let somebody else have the trade? Do you think that is sound?

Mr. MORSE. I would not make the answer as inclusive as the question you put. I have tried to say that we should sell on the world market without disrupting the normal world trade.

Mr. WHITTEN. If it disrupts what do you mean? You mean if we sell commodities instead of somebody else, that might be wrong?

Mr. MORSE. Without serious disruption, I should perhaps qualify it, because certainly we want to compete in world trade.

Mr. WHITTEN. That situation you refer to is a governmental situation, is it, or a farmer's situation? Should the farmer have to hold it for that reason or have his Government hold his commodities off the world market charged to his account?

Mr. MORSE. The farmer is part of the beneficiary of our Government and certainly would want to cooperate with our Government in their relationships with various nations.

Mr. WHITTEN. I am not talking about dumping but about offering the commodity at the prevailing world price. Do you know of any reason why American agriculture shouldn't have the privilege of having their commodities offered by the Government at prevailing world prices?



Mr. MORSE. We would hope we would be able to offer commodities—

Mr. WHITTEN. You are hoping, but I want your views on it. You and your associates are running this department. Do you believe that the American farmer should have the right to have his production offered at prevailing prices in the world market?

Mr. MORSE. I would want to qualify that in the light of what I have been saying, in the light of established trade channels. We have been helping friendly nations and we certainly want to continue to have their cooperation.

Mr. WHITTEN. If the policy that you have just announced is to be followed do you think the Government should stand any losses that come from that or should the farmers stand them?

Mr. MORSE. The Government is standing losses.

Mr. WHITTEN. That is right, but it is being charged up to the farmer, is it not, as shown in announcements of the Department of Agriculture in some instances and in the press. I am not saying it started last January. I am saying that the amount of farm production bottled up in this country, held off the world's markets, is being held as a part of our foreign policy. Our Nation is holding these commodities and letting some other country have the market. I think that policy is unsound. The full investment of the Government is being charged up to the farmer. Yet we could salvage much of the Government's expenditures if we would simply offer to sell on the world market for prevailing or competitive prices. At least what is being done is said to be for our international interest.

Mr. MORSE. It is not entirely so. Of course we have written into the law the specifications under which we can sell, as you know. We must recover support price plus 5 percent plus reasonable carrying charge in the selling of basic commodities.

Mr. WHITTEN. That applies to sales for domestic use. Is there any such restriction on selling in foreign trade?

Mr. MORSE. I believe there is provision whereby we can subsidize. We have been counseled it is not always the proper practice.

#### UTILIZATION OF FUNDS AVAILABLE UNDER SECTION 32

Mr. WHITTEN. I would like to have section 32 of the Agricultural Adjustment Act inserted in the record at this point.

(The information requested is as follows:)

#### SECTION 32, PUBLIC LAW NO. 320, 74TH CONGRESS (AS AMENDED)

There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations, or by other means, among persons in low-income groups as

determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final. The sums appropriated under this section shall be expended for such one or more of the above specified purposes, and at such times and in such manner and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year shall not exceed 25 per centum of the funds available under this section for such fiscal year. *The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended; but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C. title 31, sec. 712) and section 5 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five, and for other purposes" (U. S. C. title 31 sec. 713).<sup>1</sup> The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those designated in title II of the Agricultural Act of 1949) and their products (7 U. S. C. 1940 ed. 612c).<sup>2</sup>*

Mr. WHITTEN. You have not seen fit to use section 32 with regard to most commodities, have you?

Mr. MORSE. There is a limit to the funds available under section 32.

Mr. WHITTEN. When the funds run out you come before the Congress as you are doing here. You have not used the authority of the act with regard to many commodities, have you?

Mr. MORSE. We have used those funds where we thought it would best benefit the agricultural industry.

Mr. WHITTEN. You have not used them at this point, have you?

Mr. MORSE. You want to know where we have not used it?

Mr. WHITTEN. Yes; at this point.

Mr. MORSE. Would you want the list of the commodities?

Mr. WHITTEN. Where you have not used section 32 and the authority of that act.

Mr. MORSE. And the amounts where we have used it, too.

Mr. WHITTEN. You are privileged to do that. I was interested in the other. I don't want to cut you off.

(The material requested is as follows:)

<sup>1</sup> Amended by Agricultural Act of 1948.

<sup>2</sup> Amended by Agricultural Act of 1949.

## 1953—CROP PRICE-SUPPORT PROGRAMS IN RELATION TO SECTION 32 PROGRAMS

Commodities for which CCC offered price support on 1953 crops and on which there was no activity in fiscal year 1954 financed with section 32 funds:

Cotton, American-Egyptian	Turpentine
Cotton, upland	Flaxseed
Cottonseed	Linseed oil
Cotton linters	Grain sorghums
Cottonseed oil, crude	Oats
Cottonseed meal	Rice
Tung oil	Rye
Peanuts	Seeds, hay and pastures
Barley	Seeds, winter cover crop
Beans, dry edible	Soybeans
Corn	Wool
Tobacco	Mohair <sup>1</sup>
Rosin	

Commodities for which CCC offered price support on 1953 crops and on which there was activity in fiscal year 1954 financed from section 32 funds:

Butter	Honey
Cheese	Wheat
Milk, dried	Cottonseed oil, refined

Commodities on which there has been no CCC activity but on which section 32 funds are being used in the fiscal year 1954: <sup>2</sup>

Beef	Fresh vegetables
Citrus fruits	Fresh pears
Dried fruit	Pecans

<sup>1</sup> Program announced but no loans or purchases made.

<sup>2</sup> Based on operations conducted through December 31, 1953.

## COMPARISON OF CCC PRICE-SUPPORT COSTS WITH SUBSIDIES AND EMERGENCY INVESTMENT

Mr. WHITTEN. I direct your attention to page 42 of the hearings of last year. We have a table there which shows what we spent on industry, on consumers subsidies, as well as the amount of losses and amount of inventory under Commodity Credit Corporation. I would like to have that table inserted and brought down to date.

Mr. ANDERSEN. Without objection it may be inserted.

(The information requested is as follows:)



*Comparison of CCC price-support costs with subsidies and emergency investment*

1. Losses under CCC price-support program:

Basics-----	\$53, 299, 009
Nonbasics-----	1, 141, 540, 014
Total-----	<sup>1</sup> 1, 194, 839, 023

2. Federal expenditures for—

Consumer subsidies (losses):	
CCC-----	<sup>2</sup> 2, 102, 067, 121
DSC and RFC-----	<sup>3</sup> 2, 143, 281, 385
Subtotal-----	4, 245, 348, 506
Business reconversion payments (including tax amortization)-----	40, 787, 864, 000
Subsidies to maritime organizations-----	<sup>4</sup> 327, 500, 000
Subsidies to airlines-----	<sup>5</sup> 302, 123, 000
Total-----	45, 662, 835, 506

3. Federal investment in—

Military materiel-----	<sup>6</sup> 129, 000, 000, 000
Food and fiber (CCC inventories)-----	<sup>7</sup> 2, 687, 103, 365
National stockpile of materiel-----	5, 700, 000, 000

<sup>1</sup> From beginning of program in 1933 through Nov. 30, 1953.

<sup>2</sup> From July 1941 through Nov. 30, 1953. The last CCC subsidy program was ended on Oct. 31, 1947, although claims, refunds, and adjustments continued to be processed after that date.

<sup>3</sup> From July 1, 1943, through June 30, 1949. All DSC and RFC subsidy programs were ended by Oct. 14, 1946, but claims, refunds, and adjustments continued to be processed after that date.

<sup>4</sup> Estimated operating subsidies payable through calendar year 1954.

<sup>5</sup> Air mail subsidies through fiscal year 1954.

<sup>6</sup> Deliveries since Korea total \$50 million; balance in pipelines.

<sup>7</sup> As of Nov. 30, 1953. Includes price support, supply and foreign purchase, and emergency feed programs.

Mr. WHITTEN. That table shows that during World War II and since, we have spent approximately \$40 billions in helping industry to reconvert. My information is that about \$16 billion of that was in reconversion payments so industrial labor would not be unemployed. The other \$24 billion was in quick tax amortization to help industry to expand to keep industrial labor employed. The table further shows that during World War II we spent approximately \$4 billion in consumer subsidies. We did no such thing for agriculture.

The point I make is that if the present inventories are held off the world market and charged as cost of the farm program, it is comparatively small as compared with what we have spent as a Government to industry and to labor to meet the same problems.

If it is not too much trouble I would like to ask you if you know of any case during World War II or since in which the Government asked industry to produce, that they didn't give them a contract which covered at least cost plus a reasonable profit. Do you know of a single instance where the Government asked industry to produce at less than that? I am asking you if you know of any, and if you do, I will ask you later to put it in the record.

Mr. MORSE. I am not qualified to answer as to the industrial situation in the United States and what has been done in that regard.

Mr. WHITTEN. Do you know of a single instance?

Mr. MORSE. There might be, but my field is agriculture.

Mr. WHITTEN. I repeat. Do you know of a single instance where the Government asked industry to produce for the Government without giving them a firm contract, including cost of production plus a reasonable profit? Do you know of a single case?

Mr. MORSE. I cannot answer offhand.

Mr. WHITTEN. You can answer whether you know it or not. Do you?

Mr. MORSE. I want the record to be clear that I do not consider myself competent to answer that question.

Mr. WHITTEN. I am asking as to your knowledge. You cannot answer as to your own knowledge?

Mr. MORSE. The point I want to make is that——

Mr. WHITTEN. I wish you would answer me and then make all the points you want to.

Mr. MORSE. All right. I do not know of such an instance—but at the same time I want to make it clear that there may well be many of them.

Mr. WHITTEN. I will ask you to make a search and see if you can find any. I wouldn't ask you to master that subject offhand but if you can find any I would like you to point it out in the record.

Now I would like to ask you if you know of any single instance in which industrial labor was asked to work in which arrangements were not made to pay them through the person they worked for or through contracting aid. I ask you if you know that.

Mr. MORSE. That is common practice in both agriculture and in industry.

Mr. WHITTEN. I am talking about governmental requests for production.

Mr. MORSE. Well, requests for production for agriculture were the same as to industry.

Mr. WHITTEN. I would like for your Department to list the requests, the date and request, for increased production asked of the American farmer during World War II and down to date.

Mr. MORSE. We will make note of that and attempt to supply it.

Mr. WHITTEN. And I would like you to point out if, in any case, Government assurance for such increased production was more than 90 percent of the comparative purchasing power that the farmer had in 1909 to 1914. In many instances such assurance was as little as 60 percent of the comparative purchasing power he had in 1909-14. With regard to other commodities no assurance at all was given. That was generally true, was it not?

Mr. MORSE. I will be happy to supply any information that is desired.

(The material requested follows:)

Acreage goals for 1942-52 crops and percentage of parity at which price support was available

[illegible]









## RESTRICTIONS PLACED ON EXPORTATION OF AGRICULTURAL PRODUCTS

Mr. WHITTEN. Now with the war at an end only the farmer was asked to absorb the wartime buildup of commodities and such commodities were not even offered on the foreign market at prevailing prices. Actually in one instance at least the Government placed an embargo on the export of farm products into world channels. Is that correct?

Mr. MORSE. I do not know. I might ask the assistants about that.

Mr. RICHARDS. We can supply it for the record. I think there were restrictions on exports of certain farm products.

Mr. WHITTEN. I would like those to be listed insofar as you can ascertain them.

(The information requested is as follows:)

*Agricultural commodities under export control*

Commodity	Added to positive list	Deleted from positive list	Commodity	Added to positive list	Deleted from positive list
Wool and mohair.....	Nov. 24, 1950	July 3, 1952	Coconut oil.....	Mar. 20, 1951	Mar. 20, 1952
Cotton.....	Sept. 8, 1950	Sept. 19, 1951	Tung oil.....	do.....	Mar. 5, 1953
Cotton wastes.....	Nov. 9, 1951	Oct. 11, 1951	Oiticica oil.....	do.....	Mar. 13, 1952
Cotton linters.....	Sept. 8, 1950	Nov. 28, 1952	Rice.....	Sept. 11, 1952	Oct. 21, 1953
Sugar.....	Sept. 1, 1950	July 31, 1952	Tall oil.....	Jan. 30, 1951	Nov. 8, 1951
Inedible molasses.....	Sept. 15, 1950	Do.	Rosin and turpentine.....	do.....	May 1, 1952
Palm oil.....	Mar. 20, 1951	Oct. 11, 1951	Sperm oil.....	Mar. 20, 1951	Aug. 2, 1951
Castor oil.....	do.....	Apr. 14, 1953			

Mr. RICHARDS. The most notable exception is wheat. We are offering it under the International Wheat Agreement with the wheat subsidy paid and we are offering outside the wheat agreement commodity credit stocks at a price no lower than the wheat agreement price, so in effect we are doing just what you said.

Mr. WHITTEN. On wheat?

Mr. RICHARDS. Yes.

Mr. MORSE. We are exporting farm commodities and so far as I know it is not being done on a subsidized basis except for wheat.

Mr. RICHARDS. There are a number of minor commodities from time to time we sell at export at less than the prevailing domestic price.

Mr. MORSE. And there have been some commodities sold for export which have been sold at less than the domestic price.

Mr. RICHARDS. Linseed oil, cottonseed oil, and certain types of beans.

Mr. WHITTEN. At prevailing world prices?

Mr. RICHARDS. As near as we can determine that.

Mr. WHITTEN. Do you know of any objection why other commodities shouldn't be so offered?

Mr. RICHARDS. Mr. Whitten, every commodity presents a little different picture in world trade. Where we are a normal exporter of a commodity the situation will be different than for dairy products, for instance, where we are not a normal exporter.

Mr. WHITTEN. Should we stay out of being a normal exporter? Because you try to protect the American farmer's income, you don't believe he is entitled to have his production offered to world buyers?



Mr. RICHARDS. I wouldn't want to express an opinion on it. I am saying those are some of the things to consider.

Mr. WHITTEN. That is what I wish to point up. Mr. Taber asked about this earlier—the Foreign Aid Act of last year provided the authority to expend up to \$250 million and exporting agricultural products which the Government helped build up. The money appropriated was, as Mr. Taber pointed out, \$200 million. It is my information that only about \$60 million worth of farm commodities have been sold, but that many times that much could have been used except for opposition of the State Department. The State Department may have its reasons which I would question, but if farm commodities are held in this country because of the State Department it should be charged up to national defense and not to the American farmer—nor should it be used to try to destroy his price-support system. I would like the privilege of having your Foreign Agricultural Service here for this hearing to put the facts into the record. Since apparently we will have to wait for that I would like the record to show the quantities of each commodity that foreign countries have evidenced an interest in. I would like you to point out in each instance where any form of an objection to such sale has been indicated by the State Department, the Commerce Department, or any other division of the Government.

(This information will be printed in hearings at a later date.)

Mr. WHITTEN. I would also like for the record to show the value of commodities offered for export and the value of stocks on hand at the time.

Mr. MORSE. We will respond to that request insofar as we can, sir. (The information requested follows:)

*Estimated cost of price-support commodities on hand as of Jan. 13, 1954, compared with cost of commodities included in the January export price list*

(In thousands)

	Estimated cost of all stocks on hand <sup>1</sup>	Estimated cost of commodi- ties offered for export <sup>2</sup>		Estimated cost of all stocks on hand <sup>1</sup>	Estimated cost of commodi- ties offered for export <sup>2</sup>
Cotton:			Naval stores:		
Upland.....	\$33, 259		Rosin.....	\$23, 296	
Linters.....	55, 451		Turpentine.....	1, 147	
Dairy:			Oils and peanuts:		
Butter.....	177, 826		Cottonseed oil:		
Cheese.....	104, 709		Crude.....	11, 498	\$2, 530
Milk, dried.....	70, 672		Refined.....	169, 609	147, 154
Grains and seeds:			Linseed oil.....	66, 315	31, 494
Barley.....	735		Olive oil.....	512	512
Beans, dry edible.....	4, 265		Peanuts, farmers' stock.....	5, 681	5, 681
Corn.....	714, 377	\$82, 500	Tung oil.....	1, 371	
Flaxseed.....	1, 356		Tobacco.....	1, 180	
Grain sorghums.....	158		Wool:		
Rye.....	250		Pulled.....	7, 541	
Seeds:			Shorn.....	56, 034	
Hay and pasture.....	36, 945				
Winter cover crop.....	2, 775				
Soybeans.....	458				
Wheat.....	1, 168, 575	1, 168, 575	Total.....	2, 715, 995	1, 438, 446

<sup>1</sup> Estimated total stocks owned by CCC, including stocks in merchandising position (in store and not committed for sale or movement) plus commitments to purchase less commitments to sell.

<sup>2</sup> In some instances quantities shown as available for export are less than quantities in inventory; does not necessarily indicate that additional quantities would not be sold if acceptable offers were received.

Mr. WHITTEN. Agriculture comes out second best in many ways. For instance our foreign agricultural attachés. As I understand it they are selected subject to the approval of the State Department, and actually many times are dominated by the State Department. They have to send their reports to the Department of Agriculture through the State Department, resulting in long delays. Frequently their efforts to aid in the export of American farm commodities are stymied because the State Department thinks our farmers should stand by for some other country to sell. Do you know any reason why our State Department, Commerce Department, or any Government branch should prohibit or prevent the American farmer from selling what he produces, or having it sold through the Government for him at prevailing prices in the nations of the world? If so the cost should be so regarded and charged up to whatever the basis is as to why our farm products can't be offered for sale. The indication here is this: to say that the American dairy farmers have not had a world market is no reason to my mind to say they cannot ever have their products offered. Do you know of any reason why they should not be offered?

Mr. MORSE. We would like to compete in the world markets with the agricultural products of this country.

Mr. WHITTEN. Don't you think the American farmer has a right to?

Mr. MORSE. Yes. At the same time it is with the qualification we want to cooperate with friendly countries and not engage in dumping.

Mr. WHITTEN. I said at prevailing world prices, Mr. Morse.

Mr. MORSE. Yes.

Mr. WHITTEN. To spend our money, to hold our commodities off the market so other countries can sell, isn't that a high price to pay for friendship, for us to spend all of these billions of dollars on farm commodities and keep them completely off the market so somebody else can have the market? Isn't it a high price for friendship?

Mr. MORSE. I would want to look at the facts and the analysis you requested in the light of your question.

Mr. WHITTEN. I can see that in the tense international situation there might be some reasons why as a nation we could not do this, that and the other. But if that be the fact, don't you think the charge should be made against whatever it is, foreign affairs, State Department, Commerce, or whoever it is that is putting a stop order on the offering of our farm commodities for sale, and shipping them to folks who might want them for whatever the world price is?

Mr. MORSE. If that proves to be the case it can be looked at in that light.

Mr. WHITTEN. I am introducing a bill today which I would like to present here because it is pertinent to this.

(The bill presented is as follows:)

A BILL To authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that the farm price-support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and governments have the inherent right to offer on the world market any and all*



commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

SEC. 2. The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market: *Provided, however,* That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

SEC. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale shall be offered for sale for use outside the continental United States, its Territories, and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States.

Mr. WHITTEN. I would like you to insert into the record the views of the Department of Agriculture. If other departments differ with that I want to know it. We need to have a Department of Agriculture which will fight for the right of American farm production to be offered in the world market. If farm production is to continue to be bottled up in the United States, in my judgment, our price support systems and American agriculture is sunk. Just now our commodities are being held off world markets. We want to know who is doing it. If there is a necessity for it we need to know that necessity. We need to charge the cost up to the proper group. I am not trying to saddle this on you. I am saying this is basic. Prohibition against offering American farm commodities which we don't need to peoples of the world who do must be shaken loose for our farm program to work.

Mr. MORSE. Thank you, Congressman. I want to assure you we will study the bill. We study these in the appropriate departments and also with our policy group in the Secretary's office. I do not want to testify on the proposed bill at this point.

Mr. WHITTEN. I would like to have your views in the record. I wouldn't ask you offhand to do it now.

Mr. MORSE. Thank you, sir.

Mr. WHITTEN. In World War II we asked industry to produce. We paid them cost plus a profit. We asked industrial labor to produce and we paid them. When the war was over we paid \$16 billion in reconversion payments to industry to keep industrial labor employed. We gave them \$24 billion to expand their plants to keep people employed. With regard to agriculture, with certain minor exceptions, we asked them to produce, and the maximum was less than the comparative purchasing power of the farmer in 1909 to 1914. Now with the war over we have not given any \$40 billion to help agriculture reconvert, but the cost is showing up in increased Commodity Credit Corporation stocks, which you are holding off world markets at world prices and that is the reason you are here today. You are asking us to cancel notes for the full amount invested whereas, if we sold, the Government would only be liable for the difference in

the long run. Now we find that the national interest, as reflected through the State Department and elsewhere, is still insisting that these farm commodities to a large extent be bottled up in our country. If national defense and international relationships require that, and I am not in a position to judge it in all cases though I doubt there is any such necessity, it should not be charged up to agriculture but should be charged up to national defense.

Mr. ANDERSEN. May I say, Mr. Whitten, we will expect the Secretary and his policymaking group to be prepared to answer basic questions of this nature when they come before us. I am glad you brought this in now as a basis for that discussion. We are, however, very limited on time this morning. I want to assure you this question will be gone into very carefully under our regular hearings which will commence next Thursday.

Mr. WHITTEN. I appreciate the statement, Mr. Chairman. I want these facts to go in this record, also. It will probably be weeks before the permanent hearings are released. I do not want this record to go out without these facts being included.

Mr. MORSE. I want to be on record that any program we are recommending and supporting as the Department of Agriculture is in the interest of the farmers.

Mr. WHITTEN. We do not question your sincerity. You are saddled with this problem and we wish to help you break these shackles loose.

Mr. MORSE. We appreciate your interest and we will be happy to study the bill.

Mr. ANDERSEN. Mr. Cannon?

Mr. CANNON. No questions.

Mr. ANDERSEN. Mr. Marshall?

#### RATE OF INTEREST ON NOTES

Mr. MARSHALL. Mr. Morse, in borrowing money from the Treasury Department what rate of interest do you pay?

Mr. WHEELER. It is an amount determined by the Treasury to be in line with the cost of money to the Treasury. I do not have the current figure in mind.

Mr. LAIRD. You would have it as to the last note?

Mr. MORSE. It differs.

Mr. BRASWELL. Interest is determined by the Treasury and at a rate which reflects the average cost of money to the Government at that time and it may vary with each different borrowing that the corporation endorses.

#### AUTHORITY TO BORROW FROM OTHER SOURCES THAN THE TREASURY

Mr. LAIRD. What authority does the Secretary of Agriculture have to borrow money from anybody except the Treasury of the United States?

Mr. MORSE. We are doing some financing through banks. The statement submitted earlier shows the amounts held by private lending institutions.

Mr. BRASWELL. We did most of the borrowing from the Treasury. We have authority to use other sources and right now we have some



certificates of interest out on which money has been obtained from private lending institutions. The bulk of the Commodity Credit Corporation borrowings are from the Treasury.

Mr. MARSHALL. You did borrow some this last year outside the Treasury?

Mr. BRASWELL. Yes.

Mr. MARSHALL. Could you give me the amount which you borrowed?

Mr. RICHARDS. We did not borrow from outside the Treasury Department last year, except under lending agency agreements.

#### CERTIFICATES OF INTEREST

Mr. MADDEN. Certificates of interest are an instrumentality where the bank may purchase CCC paper. We pay them  $2\frac{1}{2}$  percent interest. Those are demand certificates. We can call them in at any time we want to in case the repayments on loans proceed too fast. We only issue these certificates of interest in the amounts of the outstanding loans.

Mr. MARSHALL. Did you issue any certificates at less than  $2\frac{1}{2}$  percent interest?

Mr. BRASWELL. The last issue was at  $2\frac{1}{8}$  percent. There has been some decline in the cost of money and the interest was dropped from  $2\frac{1}{4}$  to  $2\frac{1}{8}$ .

Mr. MARSHALL. As to this matter of releasing these certificates of interest by the Commodity Credit Corporation, what effect does that have on the money market?

Mr. MADDEN. The certificates of interest are oversubscribed in each case. The first one we issued, October 28, we offered \$260 million worth, and we got subscriptions of over \$2 billion worth. Those bore an interest rate of  $2\frac{1}{2}$  percent.

On December 7 we issued \$450 million more and they were oversubscribed almost 3 times, \$1,204 million. Those were at  $2\frac{1}{4}$  percent. They will mature August 2, 1954.

Now we have announced our intention to offer 2 more, 1 in the amount of \$125 million and the other \$225 million. Both of them were dated January 15. That is the announcement date. The certificates will be issued as of February 2, and they will mature August 2. Those will carry an interest rate of  $2\frac{1}{8}$  percent. We have not gotten all the returns in as yet on the subscriptions but I have heard they are quite a bit oversubscribed.

The effect of these certificates is to postpone the cash expenditures of CCC. It postpones until maybe next year or the year after the actual outlay of cash by the Federal Treasury.

Mr. MARSHALL. But it becomes an obligation.

Mr. MADDEN. Yes, to so include it in the use of the borrowing authority.

#### INTEREST RATES

Mr. MARSHALL. Have you ever paid the Treasury as much as  $2\frac{1}{2}$  percent interest?

Mr. BRASWELL. Yes, we have.

Mr. MARSHALL. It would appear on the face of this matter, that the fact they are oversubscribed would indicate it was more popular to lenders than the money market for Government paper.

Mr. BRASWELL. That is not necessarily so. It is a little better than the 90-day paper, Mr. Marshall. It is a safe investment for lenders and it is an investment in which they can put relatively large sums with very little difficulty in handling them. The certificates of interest are based on individual loans that have been approved and we issue those certificates as we get enough loans turned back into the Corporation to enable us to send out a pool of loans. Actually the certificates of interest are direct obligations of the Corporation and are included in all of our calculations of the Corporation's obligations. We do not believe that the certificates of interest are costing the Corporation any more than they would in any other way we might handle it.

Mr. MARSHALL. Mr. Braswell, this transaction on the part of the Commodity Credit Corporation had a tendency to increase interest rates which had to be paid on other Treasury bonds?

Mr. BRASWELL. No, sir; I think not. Interest rates have been checked carefully with Treasury and every issuance of bonds has been made with Treasury concurrence. I do not believe you will find that the certificates of interest have increased interest rates of the Treasury. It has been watched carefully.

#### LOANS BY CCC FROM OTHER SOURCES THAN THE TREASURY DEPARTMENT

Mr. MARSHALL. Mr. Chairman, I would like at this time in this particular part of the hearings for the Department to put in the amount that they have borrowed outside of the Treasury Department in certificates of interest, and the interest rates paid.

Mr. ANDERSEN. Would you have that done, Mr. Morse?

Mr. MORSE. I will be happy to.

(The information required is as follows:)

#### *Summary of certificates issued, fiscal year 1954*

Announcement		Date of issue	Amount		Interest rate	Maturity	Commodity
Number	Date		Offered	Subscribed			
CHF 1..	Oct. 14, 1953	Oct. 28, 1953	<i>Millions of dollars</i> 360	<i>Millions of dollars</i> 2, 150. 3	2½	Aug. 2, 1954	Grain, etc. (no cotton).
CHF 2..	Dec. 7, 1953	Dec. 17, 1953	450	1, 204. 7	2¼	-----do-----	Cotton (eo-op and CCC held).
CHF 3..	Jan. 15, 1954	Feb. 2, 1954	125	} 1, 861. 5	2½	-----do-----	Grains, etc.
CHF 4..	-----do-----	-----do-----	225		2½	-----do-----	Cotton.
Total offered by announcement..			1, 160	-----	-----	-----	-----
Outstanding cotton certificates issued to banks which disbursed the cotton loans to farmers, Dec. 31, 1953.			487	-----	2½	Aug. 2, 1954	Do.
Total.....			1, 647	-----	-----	-----	-----

NOTE.—Certificates of interest, bearing interest at the rate of 1½ percent per annum, were issued in connection with each of the 1941 through 1951 cotton loans programs. In 1952 banks were required to hold the producer cotton notes at the place of disbursement and certificates were not issued. Certificates were issued again in 1953 and after the maturity date on 1952 crop cotton loans was extended to July 31, 1954, banks were offered the opportunity to purchase certificates evidencing participation in 1952 cotton loans still outstanding.

Mr. ANDERSEN. Mr. Hunter?

Mr. HUNTER. From time to time you do borrow from private lending agencies rather than from the Treasury? What is the reason for that?

Mr. BRASWELL. It has historically been a method of getting private funds to finance this operation, which is consistent with the charter of the Commodity Credit Corporation and which has been approved by the Treasury Department.

Mr. HUNTER. Is this a new policy or one which has been in effect in the Department of Agriculture over a period of years?

Mr. BRASWELL. My experience doesn't go back too many years. Certificates of interest as such on loans other than cotton are relatively new. There have been other borrowings by Commodity Credit Corporation, but not under exactly the same plan as the certificate of interest as I understand it. On cotton, certificates of interest have been issued over the period since 1941.

Mr. HUNTER. When you say "new," how many years would that be approximately?

Mr. BRASWELL. The past year, year and a half, I think for the past year.

Mr. MARSHALL. Why not put in the first date?

Mr. BRASWELL. I don't recall it offhand.

Mr. ANDERSEN. Would you place the date in the record, please?

Mr. BRASWELL. I will be glad to.

(The first certificates on loans other than cotton were offered October 14, 1953.)

Mr. RICHARDS. I was going to say that the pool idea of the certificates of interest has been used on cotton for several years. The use for other commodities started this year. It always has been possible, at least for a number of years it has been possible, on grain and cotton and other commodities where loans are made for banks in the area to make the loans and hold the paper and get an interest rate paid by CCC, so that that is not new. The new part of it is this pool idea for putting individual loans together.

Mr. HUNTER. My question was asked for the purpose of ascertaining whether this is a new policy or one which began a number of years ago.

Mr. BRASWELL. The Commodity Credit Corporation had used it for a number of years. The only difference in the borrowing was in the method used this year in issuing certificates of interest in pooled grain loans for grain. Certificates on cotton loans have been in existence for many, many years. The basic principle is about the same. The mechanics are somewhat different.

Mr. HUNTER. The chairman stated we are acting on some emergency legislation and we will have time later to comment generally on this and related matters and to ask further questions, so I will at this time defer any further questions, because I understand the full committee is waiting on us.

Mr. ANDERSEN. If there are no further questions, gentlemen, we will go into executive session.















# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued January 26, 1954  
For actions of January 25, 1954  
83rd-2nd, No. 13

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HIGHLIGHTS: House Appropriations Committee reported bill restoring CCC's capital impairment, and Rules Committee cleared it. Reps. Andersen, Whitten, and others, discussed this bill. Rep. Whitten introduced bill authorizing sale of CCC commodities. Sen. Johnson (Colo.) introduced and discussed single-package appropriation bill. Sen. Johnson (S. C.) criticized Administration's personnel policies.

## HOUSE

1. COMMODITY CREDIT CORPORATION. The Appropriations Committee reported without amendment H. J. Res. 358, to restore CCC's capital impairment by cancelling CCC notes issued to the Treasury in the amount of \$741,817,478, and the Rules Committee reported a resolution providing for its consideration (H. Rept. 1111) (pp. 736, 738).

Rep. Whitten discussed his proposed amendment to this measure which provides for sale of CCC commodities, not required for defense purposes or sale in this country, in foreign countries at prevailing or competitive world prices, saying "This will save the Government untold hundreds of millions of dollars and will save our farm program" (p. 714).

Reps. Andersen, Javits, Halleck, Patman, and others discussed this resolution with Rep. Patman objecting to the rapid handling of this measure "without giving the average Member...an opportunity to know what it is all about" (pp. 717-8).

This budget estimate in the amount of \$741,817,478 had been received earlier from the President and referred to the Appropriations Committee (H. Doc. 303) (p. 737).

This measure is to be considered Wed., Jan. 27. (p.D57).



2. HOUSING. Both Houses received the President's housing message containing recommendations for a new public housing program and more low-income housing (H. Doc. 306) (pp. 657, 711-3).
3. COMMITTEE ASSIGNMENT. Rep. Dodd resigned from the Government Operations Committee and Rep. Williams (N. J.) was elected to be a member of this Committee (p. 709).
4. SURPLUS COMMODITIES. Rep. Bailey inserted a United Mine Workers of America (W. Va. District) letter favoring the distribution of farm surpluses to unemployed people in this country (p. 710).
5. REPORTS. Received the following annual and special reports (p. 737):  
Findings of the Commission on Foreign Economic Policy, pursuant to Public Law 215, 83rd Cong. (H. Doc. 290),  
Export-control operations
6. APPROPRIATIONS. Received the President's budget estimate of \$150,000 for the Advisory Committee on Weather Control for the fiscal years 1954 and 1955 (H. Doc. 305).
7. ST. LAWRENCE SEAWAY. Received a Boston, Mass. City Council resolution opposing this project (p. 739).
8. FOREIGN ECONOMIC POLICY. Reps. Bailey, Shelley, Secrest, Steed, Byrd, Hunter, and others criticized the report of the Committee on Foreign Economic Policy (pp. 718-28).
9. ADJOURNED until Wed., Jan. 27 (p. 737).

SENATE

10. NOMINATIONS. Confirmed the nominations of L. W. Douglas, A. M. Eberle, Jr. J. George, H. T. Orville and K. C. Spengler to be members of the Advisory Committee on Weather Control (p. 707).
11. GOVERNMENT OPERATIONS. Received the annual report of the Government Operations Committee (S. Rept. 881) (p. 649).
12. STATEHOOD. Sen. Butler (Nebr.) inserted his address favoring statehood for Alaska (pp. 656-7).
13. PERSONNEL. Sen. Johnson (S. C.) criticized the Administration's personnel policies particularly with reference to Federal employees separated as security risks, said "1953 will be recorded...as the beginning of the 'spoils deal' for Federal civil-service employees", and he inserted numerous newspaper articles on this subject (pp. 680-93).
14. TREATIES. Sens. Humphrey, Wiley, and Green inserted various communications opposing S. J. Res. 1, to restrict the president's treaty power (pp. 649, 653-6).

BILLS INTRODUCED

15. MISSOURI BASIN. S. 2821, by Sen. Butler (for himself and others), granting the consent of Congress to the States of Colorado, Iowa, Kansas, Minnesota, Missouri,

Montana, Nebraska, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact for the disposition, allocation, diversion, and apportionment of the waters of the Missouri River and its tributaries; to Interior and Insular Affairs Committee (pp. 649-50).

16. APPROPRIATIONS. S. 2825, by Sen. Johnson, Colo., making appropriations for the support of the Government for the fiscal year ending June 30, 1955; to Appropriation Committee (p. 650). Remarks of author (pp. 650-1).
17. PERSONNEL. S. Res. 199, by Sen. Johnston of S. C., to take such action as may be necessary to obtain from CSC a detailed statement of the reasons for separation in the cases of the 2,200 employees referred to by the President; to Post Office and Civil Service Committee (p. 682). Remarks of author (pp. 680-93).  
H.R. 7476, by Rep. Hand, to deny benefits, under any Federal retirement systems, to persons convicted of crimes for any actions related to the holding of Federal employment by such persons; to Post Office and Civil Service Committee (p. 738).  
H.R. 7477, by Rep. Hoffman, Mich., to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments; to Government Operations Committee (p. 738).  
H.R. 7480, by Rep. Long, to amend the Internal Revenue Code to provide that the income-tax exemptions allowed a taxpayer shall in no case total less than \$3,500 if he is single or \$5,000 if he is married; to Ways and Means Committee (p. 738). Remarks of author (p. A489).
18. FLOOD CONTROL. H.R. 7465, by Rep. Angel and H.R. 7482, by Rep. Mack of Wash., authorizing the appropriation of funds to provide for the prosecution of projects in the Columbia River Basin for flood control; to Public Works Committee (p. 738).
19. EDUCATION. H.R. 7467, by Rep. Bailey, to provide for Federal financial assistance to the States in the construction of public elementary and secondary school facilities; to Education and Labor Committee (p. 738).
20. HOUSING. H.R. 7469, by Rep. Bolling, to establish an effective housing program; to Banking and Currency Committee (p. 738). Remarks of author (pp. A556-7).
21. HEALTH. H.R. 7474, by Rep. Evins, to establish a Federal Board of Hospitalization; to Veterans' Affairs Committee (p. 738).
22. REPORTS. H.R. 7479, by Rep. Javits, to extend the time for the expiration of the commission and for the submission of additional reports by the Commission on Foreign Economic Policy; to Ways and Means Committee (p. 738). Remarks of author (pp. 710-1).
23. CCC. H.R. 7490, by Rep. Whitten, to authorize the sale of farm commodities by the Commodity Credit Corporation; to Agriculture Committee (p. 739).  
H. J. Res. 358, by Rep. Andersen, to discharge indebtedness of the Commodity Credit Corporation; to Appropriations Committee (p. 739).

#### ITEMS IN APPENDIX

24. REA. Sen. Maybank inserted his recent speech before the Nat'l Rural Electric Cooperative Ass'n. commending and outlining some of the accomplishments of the rural electrification program (pp. A486-7).



25. SURPLUS FOOD. Rep. Bailey inserted a Dept. of Public Assistance Report on the increased demand for surplus food in W. Va. (pp. A489-90).  
Sen. Schoeppel inserted a Wichita (Kans.) Eagle editorial, "Schoeppel Hits Farm Nail on Head," commending his position on the disposition of farm surpluses (p. A493).
26. NATIONAL FORESTS. Rep. Brooks inserted a County Judges and Commissioners Ass'n resolution opposing the proposed sale of national forests in Tex. to private interests (pp. A490-1).
27. TREATIES. Reps. Burdick and Forrester inserted articles favoring the proposed Bricker amendment to restrict the President's treaty power (p. A491).
28. PERSONNEL. Sen. Martin inserted an Oil City (Pa.) Derrick editorial commending the administration for reducing expenditures by "deflating the overstuffed Federal civilian payroll" (p. A494).  
Sen. Pastore inserted a Providence Journal editorial criticizing the administration's personnel policies (p. A497).
29. PRICE SUPPORTS. Sen. Griswold inserted an Omaha (Nebr.) World-Herald editorial agreeing with the Secretary's statement that "the price-support system, as a permanent way of life, has proved an utter failure" (pp. A496-7).  
Rep. Johnson (Wis.) inserted Walter Reuther's letter to Rep. Hope "denouncing Secretary of Agriculture Benson's attempt to incite city workers against farmers and farmers against city workers by falsely stating that city workers are opposed to price supports for farm products" (p. A543).
30. ST. LAWRENCE SEAWAY. Sen. Symington inserted a Kansas City Star editorial favoring this proposed project (p. A498).
31. EXTENSION WORK. Extension or remarks of Sen. Humphrey commending the outstanding work being done by the 4-H Club in Minn., and inserting a list of delegates from Minn. to the 1953 Nat'l 4-H Club Congress (pp. A499-500).
32. COFFEE. Sen. Gillette inserted the Jan. 23 issue of Hanson's Latin American Letter setting forth statements of fact relative to the present coffee situation and concluding, "The longer we delay in implementing the Gillette recommendation the worse the situation will get" (pp. A502-3).  
Extension of remarks of Rep. Johnson (Wis.) suggesting that American consumers substitute a "few glasses of good, wholesome milk on Wednesdays instead of coffee" and inserting a Durand (Wis.) Wedge-Courier editorial on this subject (pp. A542-3).
33. MEAT PRICES. Sen. Barrett inserted Sam C. Hyatt's (Pres., American Nat'l Cattle-men's Ass'n) speech discussing some of the problems confronting the cattle industry, expressing appreciation to the Department for aid in the beef-promotion program and opposing "high, rigid, support prices" (pp. A503-5).
34. TAXATION. Rep. Reed inserted a summary of the General Revenue Revision Hearings which is a reprint of an article contained in the Standard Federal Tax Reports published by Commerce Clearing House (pp. A511-34).
35. TARIFF. Extension of remarks by Rep. Steed criticizing the recommendation by the Randall Commission that the President be given authority to lower our tariff at



DRAFT OF PROPOSED PROVISIONS FOR CANCELLATION  
OF NOTES ISSUED BY THE COMMODITY CREDIT  
CORPORATION

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COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DRAFTS OF PROPOSED PROVISIONS PERTAINING TO THE FISCAL  
YEAR 1954 FOR THE CANCELLATION OF NOTES ISSUED BY THE  
COMMODITY CREDIT CORPORATION TO THE SECRETARY OF  
THE TREASURY IN THE AMOUNT OF \$741,817,478

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JANUARY 25, 1954.—Referred to the Committee on Appropriations  
and ordered to be printed

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THE WHITE HOUSE,  
Washington, January 25, 1954.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress drafts of proposed provisions pertaining to the fiscal year 1954 for the cancellation of notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in the amount of \$741,817,478. Since the financial requirements of the Commodity Credit Corporation are rapidly approaching its present statutory borrowing authority, early enactment of the proposed provisions by the Congress is recommended.

The details of these proposed provisions, the necessity therefor, and the reasons for their submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

DWIGHT D. EISENHOWER.

EXECUTIVE OFFICE OF THE PRESIDENT,

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington 25, D. C., January 23, 1954.

The PRESIDENT,

*The White House.*

SIR: I have the honor to submit herewith for your consideration drafts of proposed provisions pertaining to the fiscal year 1954 for the cancellation of notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in the amount of \$741,817,478, as follows:

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

*The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$609,930,933, representing the capital impairment determined by the appraisal of June 30, 1953, pursuant to sections 1 and 4 of the Act of March 8, 1938, as amended (15 U. S. C. 713a-1, 4).*

INTERNATIONAL WHEAT AGREEMENT

*The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$129,816,634 for the net costs during the fiscal year 1953 (including interest through February 28, 1954) under the International Wheat Agreement Act of 1949 (7 U. S. C. 1641-1642).*

ERADICATION OF FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

*The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury in the amount of \$2,069,911 for funds transferred and expenses incurred under this head through fiscal year 1953 (including interest through February 28, 1954), pursuant to authority granted in the Department of Agriculture Appropriation Act, 1953.*

The latest estimates of the Corporation's operations indicate that its obligations may exceed its present borrowing limit during the annual peak within the very near future. Hence, early enactment of the proposed note cancellations by the Congress appears necessary to enable the Corporation to fulfill its statutory responsibilities under the present price support program.

Current estimates also indicate that the Corporation's financial requirements will continue to rise in the fiscal year 1955. To cope with this situation, a legislative proposal to increase the Corporation's borrowing authority by \$1,750 million, effective July 1, 1954, is presently before the Congress.

I recommend that the foregoing drafts of proposed provisions be transmitted to the Congress.

Respectfully yours,

JOS. M. DODGE,

*Director of the Bureau of the Budget.*

83D CONGRESS  
2D SESSION

# H. J. RES. 358

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. H. CARL ANDERSEN introduced the following joint resolution; which was referred to the Committee on Appropriations

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## JOINT RESOLUTION

To Discharge Indebtedness of the Commodity Credit Corporation.

1      *Resolved by the Senate and House of Representatives*  
2      *of the United States of America in Congress assembled,*

3                    DEPARTMENT OF AGRICULTURE

4                    COMMODITY CREDIT CORPORATION

5      The Secretary of the Treasury is hereby authorized and  
6      directed to discharge indebtedness of the Commodity Credit  
7      Corporation to the Secretary of the Treasury by canceling  
8      notes issued by the Corporation to the Secretary of the Treas-  
9      ury (1) in the amount of \$609,930,933 for the capital  
10     impairment determined by the appraisal of June 30, 1953,  
11     pursuant to Sections 1 and 4 of the Act of March 8, 1938,



1 as amended (15 U. S. C. 713a-1, 4) ; (2) in the amount  
2 of \$129,553,795 for the net costs during the fiscal year  
3 1953 (including interest through the date of enactment  
4 hereof) under the International Wheat Agreement Act  
5 of 1949 (7 U. S. C. 1641-1642) ; and (3) in the amount  
6 of \$2,064,060 for the funds transferred and expenses incurred  
7 through the fiscal year 1953 (including interest through  
8 the date of enactment hereof) under the head "Eradication  
9 of foot-and-mouth and other contagious diseases of animals  
10 and poultry" pursuant to authority granted in the Depart-  
11 ment of Agriculture Appropriation Act, 1953.



83d CONGRESS  
2d Session

# H. J. RES. 358

## JOINT RESOLUTION

To discharge indebtedness of the Commodity  
Credit Corporation.

By Mr. H. CARL ANDERSEN

JANUARY 25, 1954

Referred to the Committee on Appropriations



DEPARTMENT OF AGRICULTURE  
COMMODITY CREDIT CORPORATION

JANUARY 25, 1954.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. H. CARL ANDERSEN, from the Committee on Appropriations,  
submitted the following

REPORT

[To accompany H. J. Res. 358]

The Committee on Appropriations, to which was referred House  
Joint Resolution No. 358, reports the same to the House with the  
recommendation that the joint resolution be agreed to.

This resolution provides for the cancellation of notes issued by the  
Commodity Credit Corporation to the Treasury as follows:

CCC Capital impairment.....	\$609, 930, 933
International wheat agreement.....	129, 553, 795
Eradication of foot-and-mouth disease.....	2, 064, 060
Total.....	\$741, 548, 788

Latest estimates indicate that the Commodity Credit Corporation  
will reach its present borrowing limit of \$6.75 billion in the very near  
future. Immediate enactment of the accompanying joint resolution  
is necessary to assure that the Corporation can continue to meet its  
statutory responsibilities under the price support program.



Union Calendar No. 424

83D CONGRESS  
2D SESSION

# H. J. RES. 358

[Report No. 1111]

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. H. CARL ANDERSEN introduced the following joint resolution; which was referred to the Committee on Appropriations

JANUARY 25, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## JOINT RESOLUTION

To discharge indebtedness of the Commodity Credit Corporation.

1      *Resolved by the Senate and House of Representatives*  
2      *of the United States of America in Congress assembled,*

3                    DEPARTMENT OF AGRICULTURE

4                    COMMODITY CREDIT CORPORATION

5      The Secretary of the Treasury is hereby authorized and  
6      directed to discharge indebtedness of the Commodity Credit  
7      Corporation to the Secretary of the Treasury by cancelling  
8      notes issued by the Corporation to the Secretary of the Treas-  
9      ury (1) in the amount of \$609,930,933 for the capital  
10     impairment determined by the appraisal of June 30, 1953,  
11     pursuant to sections 1 and 4 of the Act of March 8, 1938



1 as amended (15 U. S. C. 713a-1, 4) ; (2) in the amount  
2 of \$129,553,795 for the net costs during the fiscal year  
3 1953 (including interest through the date of enactment  
4 hereof) under the International Wheat Agreement Act  
5 of 1949 (7 U. S. C. 1641-1642) ; and (3) in the amount  
6 of \$2,064,060 for the funds transferred and expenses incurred  
7 through the fiscal year 1953 (including interest through  
8 the date of enactment hereof) under the head "Eradication  
9 of foot-and-mouth and other contagious diseases of animals  
10 and poultry" pursuant to authority granted in the Depart-  
11 ment of Agriculture Appropriation Act, 1953.



83<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

H. J. RES. 358

[Report No. 1111]

JOINT RESOLUTION

To discharge indebtedness of the Commodity  
Credit Corporation

By Mr. H. CARL ANDERSEN

JANUARY 25, 1954

Referred to the Committee on Appropriations

JANUARY 25, 1954

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed



## CONSIDERATION OF HOUSE JOINT RESOLUTION 358

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JANUARY 25, 1954.—Referred to the House Calendar and ordered to be printed

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Mr. ALLEN of Illinois, from the Committee on Rules, submitted the  
following

### R E P O R T

[To accompany H. Res. 417]

The Committee on Rules, having had under consideration House Resolution 417, report the same to the House with the recommendation that the resolution do pass.

42008





# House Calendar No. 146

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

## H. RES. 417

[Report No. 1113]

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### IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1     *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the Union  
4 for the consideration of H. J. Res. 358, to discharge indebted-  
5 ness of the Commodity Credit Corporation. After general  
6 debate, which shall be confined to the joint resolution, and  
7 shall continue not to exceed two hours, to be equally divided  
8 and controlled by the chairman and ranking minority member  
9 of the Committee on Appropriations, the joint resolution shall  
10 be read for amendment under the five-minute rule. At the  
11 conclusion of the consideration of the joint resolution for  
12 amendment, the Committee shall rise and report the joint  
13 resolution to the House with such amendments as may have



1 been adopted, and the previous question shall be considered  
2 as ordered on the joint resolution and amendments thereto  
3 to final passage without intervening motion except one  
4 motion to recommit.

House Calendar No. 146

83d CONGRESS  
2d Session

**H. RES. 417**

[Report No. 1113]

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## RESOLUTION

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Providing for the consideration of H. J. Res.  
358, to discharge indebtedness of the Com-  
modity Credit Corporation.

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By Mr. ALLEN of Illinois

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JANUARY 25, 1954

Referred to the House Calendar and ordered to be  
printed

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7490

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1954

Mr. WHITTEN introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That it is hereby declared the farm price support system is  
4       for the purpose of stabilizing the farm income of American  
5       farmers, and to assure sufficient return to protect the land  
6       and other natural resources, and since all peoples and govern-  
7       ments have the inherent right to offer on the world market  
8       any and all commodities at competitive prices, it is hereby  
9       declared to be the policy of the United States that such  
10      domestic program shall not be used to keep American  
11      agricultural commodities from being offered on the world

1 market at competitive prices. The Commodity Credit Cor-  
2 poration, therefore, is hereby directed to determine what  
3 part of present stocks of farm or agricultural commodities  
4 in its hands are essential to national security and upon such  
5 determination title to such amount of such commodity, or  
6 commodities, shall be transferred to the Defense Procure-  
7 ment Agency and taken off the market: *Provided, however,*  
8 That to prevent spoilage or deterioration any part of such  
9 commodity or commodities may be returned to the Com-  
10modity Credit Corporation for sale as hereinafter provided  
11 and replaced with a like amount or quantity from Com-  
12modity Credit Corporation stocks.

13 SEC. 3. In order to make American farm commodities  
14 available to users in other countries on the same basis as farm  
15 commodities from other nations, all other agricultural com-  
16modities of whatever kind or character, title to which is in  
17 the Commodity Credit Corporation, shall be offered for sale  
18 for use outside the Continental United States, its Territories,  
19 and possessions, at prevailing or competitive world prices:  
20 *Provided, however,* That the President by Executive order  
21 may restrict or prohibit sales of such commodities for use in  
22 Communist-dominated countries when in his opinion such  
23 sales would be against the interest of the United States.

W. L. G. 11. 11. 11.

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THE UNIVERSITY OF CHICAGO

[illegible]

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## A BILL

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To authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes.

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By Mr. WHITTEN

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JANUARY 25, 1954

Referred to the Committee on Agriculture

## FEDERAL SECURITY AGENCY, OFFICE OF EDUCATION—STATE-TO-FEDERAL REPORT ON 2D PHASE OF SCHOOL FACILITIES SURVEY

TABLE 1.—Statewide master plan for a program of school plant construction

(1)	(2)	(3)		(4)		(5)					(6)	(7)	
Projects (listed separately, but grouped according to local planning areas)	Definiteness of project (use symbols A, B, or C)	Priority or urgency of need should be ready for occupancy by (check)—		This project to be designed to accommodate—		Nature of projects and estimated cost (insert estimated cost in applicable subcolumns)					Total estimated cost of project	Size of new construction	
		(a)	(b)	(a)	(b)	(a)	(b)	(c)	(d)	(e)		(a)	(b)
		September 1955	Between September 1955 and September 1959	Grades	Pupils	Complete new plant (estimated cost exclusive of site)	New building on site now used as school center	Addition to existing building	Remodeling or rehabilitation of old building	New sites: addition to sites; improvement of sites		Number of instruction rooms	Approximate number of square feet in area of building
Breathitt County and Jackson					3,447	\$2,550,500	\$440,000	\$404,000	\$203,000	\$45,200	\$3,642,700	119	
Floyd County and Prestonburg					7,310	3,979,050	1,975,050	1,738,470	412,700	67,000	8,222,270	249	
Hazard Independent					780		396,000	351,028	166,154	3,750	916,932	26	
Elliott County					1,730	1,095,700		777,000	90,600	22,500	1,985,800	50	
Lee County					1,510	1,211,000		420,000	50,000	35,000	1,716,000	52	
Perry County					6,841	6,169,891	495,000	652,080	293,455	72,100	7,682,526	231	
Wolfe County					1,527	1,231,000		167,000	122,000	12,100	1,582,100	50	
Jenkins Independent					940	760,600	356,400	70,650		31,000	1,218,650	34	
Paintsville, Ind.					840	831,600				8,000	839,600	28	
Knott County					4,025	3,077,300	207,900	842,405	142,600	49,000	4,319,205	135	
Morgan County					1,809	769,200	891,000	247,700	208,000	20,500	2,136,400	60	
Martin County					2,190	1,410,100		627,630	110,000	26,500	2,174,230	75	
Magoffin County					2,580	1,704,100	267,300	824,200	64,500	26,500	2,886,600	88	
Letcher County					6,080	5,079,400	297,000	983,400	90,500	47,000	6,497,300	206	
Johnson County and Van Lear					3,360	1,471,000	949,900	960,325	22,500	37,500	3,441,225	112	
Total					44,960	31,390,441	6,275,550	9,115,888	1,976,009	503,650	49,261,538	1,515	

It is essential that adequate school facilities be established for all our children and it is even more essential in this area where the top skills are needed to revitalize the industrial development of the region. The resources, including more than 5 billion tons of known coal reserves sufficient to maintain the wartime rate of production for the next 150 years, are adequate to maintain any industrial development that it will be possible to attain in the foreseeable future.

The attempts to diversify industry in the area have been limited by the lack of a year-round supply of industrial water, and paradoxically the recurring spring floods. Adequate reservoirs will eliminate both these handicaps to the essential industrial development of the area and a State-Federal school construction program will go far toward making such developments permanent and successful.

I now yield to the gentleman from West Virginia.

(Mr. BYRD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BYRD. Mr. Speaker, I wish to congratulate the gentleman from Kentucky [Mr. PERKINS] on his timely and appropriate statements concerning the need for forthright action on the part of the Federal Government in mitigating the problems of unemployment which are presently confronting the people in many areas of the country.

Each day I receive numerous letters from my constituents asking that the Federal Government take cognizance of the situation that has developed in which thousands of men have been deprived of their jobs as a result of unregulated imports of residual oil and other products of foreign countries. In view of the fact that Congress and the administration

have thus far been hesitant to regulate these imports by quotas, I suggest that emphasis should be placed upon a study of the picture as it exists in West Virginia, Kentucky, Alabama, and other States, with a view toward alleviating adverse economic conditions by the installation of defense plants and public works programs in those areas.

Under leave to extend my remarks, I include two letters from my district which emphasize the seriousness of the growing problem:

UNITED MINE WORKERS OF  
AMERICA, DISTRICT 29,  
Beckley, W. Va., January 18, 1954.

HON. ROBERT C. BYRD,  
Member of Congress, Sixth District of  
West Virginia,  
House Office Building,  
Washington, D. C.

DEAR CONGRESSMAN: In President Eisenhower's message on the state of the Union he seemed to be disturbed about what to do with the farm surplus. I note in recent newspaper reports that they are proposing to sell 260 million pounds of butter to Russia, at 50 cents per pound. The Government has millions of pounds of surplus commodities, such as milk, butter, cheese, wheat, and meat that they do not know what to do with.

We are allowed to get a few crumbs under the present law, through the department of public assistance, for people who are out of employment and destitute, but not enough to sustain life and limb. It seems ridiculous to me that thousands of men, women, and children are going hungry in this country for the want of food, or, in other words, starving to death in a land of plenty.

The American coal miner is now producing 8 tons of coal per man, per day. The highest efficiency of any workman in the world. He produces so much coal that he has worked himself out of a plate at his own table. Other industrial workers and the farmer are doing the same thing. American ingenuity has solved the problem of production.

There are 20,000 coal miners in southern West Virginia whose unemployment com-

pensation will soon run out or has already run out, and no jobs are available. It behooves the Congress of the United States to attempt to solve the law of distribution, so that the American people will not starve to death on account of overproduction.

I urge you to use your good office to see that the surplus commodities that the Government has on hand is distributed to people who cannot find employment. It should be the duty of the Government to either find a job for a man that is unemployed, extend unemployment-compensation payments, or furnish with the surplus commodities which seem to be a drug on the market, so that our people will not starve while our farm surplus goes to waste.

With kindest regards and best wishes, I am

Sincerely yours,  
GEORGE J. TITLER,  
President, District 29, UMW.

ST. ALBANS, W. VA., January 20, 1954.  
HON. ROBERT C. BYRD,  
House of Representatives,  
Washington, D. C.

DEAR MR. BYRD: As I am a member of the City Council of St. Albans, W. Va., I feel that you should be informed of the increasing unemployment in the Kanawha Valley.

This valley which is known the world over as the chemical center of the United States has many industries and usually there is work to be found here when things are slow elsewhere, but in recent months there has been a steady decrease in employment which is causing unrest among the people of this area.

As you know people become disturbed when employment declines as they fear we are going to have another depression. If it is within your power, I feel something should be done to allay their fears.

Sincerely,  
REX PRUDEN,  
Councilman, Second Ward,  
St. Albans, W. Va.

(Mr. ELLIOTT asked and was given permission to revise and extend the remarks he made earlier today.)



(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

#### THE LATE HONORABLE DANIEL F. CLEARY

The SPEAKER pro tempore (Mrs. HARDEN). Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 15 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, in the bright noontime of his life, covered with honors far beyond the lot of most men, and in the enjoyment in rare and unusual measure of the affection of family and of friends, he passed from the shore of human visibility to the invisible continent that is the inevitable and inescapable refuge of us all. It is not given to us to fathom the reasons for the pattern of human life.

The Honorable Daniel F. Cleary, the first Chairman of the War Claims Commission, came to Washington in the early days of the Truman administration following the election of 1948. He was only 39. President Truman then was reaching out for the flower of American young manhood to buttress his official family. Dan Cleary was one of the small group, carefully selected from the choice offerings of the Nation, to give the drive and vigor, the dash and the vision of youth to the administration of a President who himself was no longer young.

Dan Cleary came from the district in Illinois which I represent in the Congress of the United States. We were very proud and happy in the Second District of Illinois when the President of the United States, wishing to surround himself with the cream of America's youth, invited Dan Cleary to serve with his administration in a key spot of major importance.

No man ever came to Washington, and did a better job. The War Claims Commission is a quasi-judicial independent executive agency. Its decisions are final, not subject to review by any court or by the Comptroller General. Claims heard and adjudicated by the Commission range in amount from a few dollars to several million dollars. In the administration of the Commission, and the performance of its many responsible duties, Dan Cleary had no guide in precedents since he was the Commission's first Chairman. He blazed the trail by working long hours and applying to the task the genius of a mighty mind and a heart of gold.

It is a lasting monument to the memory of Dan Cleary that under his administration the War Claims Commission not once was subject to the slightest hostile criticism from any source. He gave the flowering years of his prime to the public service of his country.

Mr. Speaker, I have remarked that we cannot understand the pattern of human life. Dan Cleary had so much ahead of him, so much to give in service to a world so much in need of more Dan Clearys. But in the finite intellect is no power to interpret the purpose of the infinite. Ours is not to question, but to

accept. I shall continue to feel the presence and the inspiration of this dear friend by denying the finality of a temporary parting.

The Honorable Daniel F. Cleary was born in Chicago, June 4, 1910, was educated in the parochial schools and Loyola Academy; receiving his college and legal education at Loyola University in Chicago. He was admitted to the practice of law in 1937 and remained a member of the Chicago firm of Garvey, Cleary, & Boyle, until June 17, 1942, when he enlisted in the United States Army Air Force. He was a major on leaving the service in November of 1945.

He was on the staff of the Retraining and Reemployment Administration, United States Department of Labor, from November 1945 to December 1946, during which time he had charge of the program of disposal of surplus federally owned property to educational institutions of the United States, an activity which involved frequent contact with university and college officials throughout the country.

He was in the staff of the Veterans' Administration as senior attorney—legislative analyst—Office of Legislation; conducted study of escalator clauses in wage contracts based on the cost of living index and their possible applicability to rates of veterans' benefits, December 1946 to September 1949.

On July 28, 1949, he was nominated by President Truman as a member of the War Claims Commission; confirmed by the Senate upon the recommendation of the Judiciary Committee, September 13, 1949; elected Chairman upon organization of the Commission, September 14, 1949.

As Chairman of the Commission Dan Cleary testified before the various committees of both bodies of the Congress, winning from the members thereof high acclaim. He directed an exhaustive study of the problem of World War II damage claims. Moreover, he spark-plugged the work of the Custodian of Alien Property, from the collections of which office came the only funds available for the good purposes of the War Claims Commission. He organized the office of the Commission into a perfect, hard-working, hard-hitting team. Traveling to the Far East he brought by personal contact the office there to the same high degree of efficiency.

Among the many organizations of which Dan Cleary was a valued and beloved member were: Chicago Bar Association, American Bar Association, Disabled American Veterans, American Legion, National Press Club, Catholic Alumni Guild of Washington—president 1951—John Carroll Society, and Democratic Club of the District of Columbia—director 1951–52, Local No. 134, I. B. of E. W.—A. F. of L., Irish Fellowship Club of Chicago, the Cana Conference of Washington, the Catholic Interracial Council of Washington, and St. Peter Claver Center Interracial Friendship House in Washington.

In his busy life Dan Cleary found time to contribute to various periodicals including: The Commonweal, America, and Social Order. He was a frequent speaker before religious, lay, and patri-

otic organizations and served as Washington correspondent—1948–50—for Today, national Catholic weekly published in Chicago.

Mr. Speaker, may I truly say to the devoted woman who was his inspiration and his helpmate, and to the trio of fine children blessing their union, that to them is extended the deep sympathy of every Member of this body.

#### SANTA MARIA PROJECT, CALIFORNIA

Mr. NICHOLSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 416, Rept. No. 1112), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2235) to authorize the Secretary of the Interior to construct the Santa Maria project, Southern Pacific Basin, Calif. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### TO DISCHARGE INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

Mr. NICHOLSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 417, Rept. No. 1113), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, to discharge indebtedness of the Commodity Credit Corporation. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

#### RESOLUTION ON COMPOSITION OF COMMITTEES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the proceedings by which the resolution with respect to the composition of committees of the House was adopted may appear in the RECORD preceding the assignments to these committees heretofore made.



The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

### REPORTS ON RULES

(Mr. HALLECK asked and was given permission to address the House for 30 seconds.)

Mr. HALLECK. Reports on two rules have just been filed. I notice here the presence of the minority leader and wish to say this: that one of them has to do with a water project in the West. I shall discuss the matter further, but I make these comments at this point in order that the membership may know of the possibility of that being called for action later on this week.

### SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1399. An act to authorize the Secretary of Agriculture to sell certain improvements on national forest land in Arizona to the Salt River Valley Water Users Association, and for other purposes; to the Committee on Agriculture.

S. 1577. An act to authorize the exchange of land in Eagle County, Colo., and for other purposes; to the Committee on Agriculture.

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema; to the Committee on Agriculture.

### ENROLLED BILLS SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1917. An act to authorize the coinage of 50-cent pieces to commemorate the sesquicentennial of the Louisiana Purchase; and

H. R. 6665. An act to amend the Agricultural Adjustment Act of 1938, as amended.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2474. An act to authorize the coinage of 50-cent pieces to commemorate the tercentennial of the foundation of the city of New York.

### BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1917. A bill to authorize the coinage of 50-cent pieces to commemorate the sesquicentennial of the Louisiana Purchase; and

H. R. 6665. A bill to amend certain provisions of the Agricultural Adjustment Act of 1938, as amended.

### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the

RECORD, or to revise and extend remarks, was granted to:

Mr. REED of New York and to include extraneous matter, informing the House of the tax program under consideration by the Ways and Means Committee, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1,997.50.

Mr. BENTLEY.

Mr. BURDICK in three instances.

Mr. GROSS in two instances and to include extraneous matter in each.

Mr. MORANO.

Mr. LONG and to include a speech delivered by himself.

Mr. EVINS and to include an address delivered at Memphis, Tenn., last year, notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost \$226.70.

Mr. FORRESTER and to include extraneous matter.

Mr. BROOKS of Texas in four instances and to include extraneous matter.

Mr. POLK in two instances and to include extraneous matter.

Mr. BAILEY and to include an article published in the Clarksburg Exponent having to do with the distribution of Federal food commodities.

Mr. DAVIS of Georgia in two instances and to include extraneous matter.

Mr. SHELLEY and to include extraneous matter.

Mr. JOHNSON of Wisconsin in three instances and to include extraneous matter.

Mr. GORDON and to include a resolution from the mayor of Chicago.

Mr. O'HARA of Illinois in four instances.

Mr. McCORMACK (at the request of Mr. BOLLING).

Mr. BOLLING to extend his remarks immediately following the reading of the President's message on housing.

Mrs. FRANCES P. BOLTON and to include extraneous matter.

Mr. JAVITS in four instances and to include extraneous material.

Mr. SADLAK and to include an editorial on the *Nautilus*.

Mr. SCUDDER in two instances and to include an editorial.

Mr. McDONOUGH in two instances, in each to include extraneous matter.

Mr. BUDGE in two instances, in each to include extraneous matter.

Mr. HELLER (at the request of Mr. SHELLEY) in three instances, in each to include extraneous matter.

Mr. ASHMORE.

Mr. BENNETT of Michigan (at the request of Mr. O'HARA of Minnesota) and to include a newspaper article.

Mr. SMITH of Wisconsin in three instances and to include extraneous matter.

Mr. PRICE in three instances and to include extraneous matter.

Mr. WOLVERTON (at the request of Mr. HALLECK) in three instances and to include extraneous material.

Mr. HOFFMAN of Michigan and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages

of the RECORD and is estimated by the Public Printer to cost \$191.25.

Mr. WHITTEN and to include an amendment to which he referred in previous remarks.

Mr. JUDD and to include an article.

Mr. YATES (at the request of Mr. SMITH of Wisconsin) and to include extraneous material.

Mr. HAYS of Arkansas (at the request of Mr. BAILEY).

Mr. BYRD in two instances and to include extraneous matter.

### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 47 minutes p. m.), under its previous order, the House adjourned until Wednesday, January 27, at 12 o'clock noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1184. A communication from the President of the United States, transmitting drafts of proposed provisions pertaining to the fiscal year 1954 for the cancellation of notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in the amount of \$741,817,478 (H. Doc. No. 303); to the Committee on Appropriations and ordered to be printed.

1185. A letter from the Chairman, Commission on Foreign Economic Policy, transmitting a report which embodies the findings of the Commission on Foreign Economic Policy, pursuant to Public Law 215, 83d Congress (H. Doc. No. 290); to the Committee on Ways and Means and ordered to be printed.

1186. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of \$4,800,000, and a draft of a proposed provision for the Treasury Department (H. Doc. No. 304); to the Committee on Appropriations and ordered to be printed.

1187. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal years 1954 and 1955 in the amount of \$150,000 for the Advisory Committee on Weather Control (H. Doc. No. 305); to the Committee on Appropriations and ordered to be printed.

1188. A letter from the Commandant, United States Coast Guard, transmitting a report showing the name of each contractor with whom a contract has been negotiated for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test, the amount of the contract, and, a description of the work to be performed for the period ending December 31, 1953, pursuant to section 2 (c) (11) of Public Law 413, 80th Congress; to the Committee on Armed Services.

1189. A letter from the Secretary of Commerce, transmitting the 25th quarterly report on export control, pursuant to the Export Control Act of 1949; to the Committee on Banking and Currency.

1190. A letter from the Secretary of State, transmitting the 11th semiannual report of the international information and educational exchange program for the period January 1 to June 30, 1953, pursuant to section



1008 of Public Law 402, 80th Congress; to the Committee on Foreign Affairs.

1191. A letter from the Secretary, Department of Health, Education, and Welfare, transmitting the third report of the Commissioner of Education on the administration of Public Laws 874 and 815, 81st Congress, 2d session, including a detailed statement of receipts and disbursements, for the fiscal year which ended on June 30, 1953; to the Committee on Education and Labor.

1192. A letter from the Chairman, National Labor Relations Board, transmitting the 18th annual report of the National Labor Relations Board for the year ended June 30, 1953, pursuant to section 3 (c) of the Labor-Management Relations Act, 1947; to the Committee on Education and Labor.

1193. A letter from the Chairman, National Labor Relations Board, transmitting a list containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the National Labor Relations Board for the year ended June 30, 1953, pursuant to section 3 (c) of the Labor-Management Relations Act, 1947; to the Committee on Education and Labor.

1194. A letter from the Secretary, Federal Power Commission, transmitting a copy of a newly issued publication entitled "Statistics of Natural Gas Companies in the United States, 1952"; to the Committee on Interstate and Foreign Commerce.

1195. A letter from the Chairman, Federal Communications Commission, transmitting a draft of a bill entitled "A bill to amend the Communications Act in regard to protests of grants of instruments of authorization without hearing"; to the Committee on Interstate and Foreign Commerce.

1196. A letter from the Assistant Secretary of the Interior transmitting drafts of 2 proposed bills: 1 entitled "A bill to provide for the capitalization of the treaty annuity paid to the Six Nations of Indians, and for other purposes," and the other "A bill to provide for the distribution of funds belonging to the Seneca Nation and the Tonawanda Band of Senecas, and for other purposes"; to the Committee on Interior and Insular Affairs.

1197. A letter from the Clerk, United States Court of Claims, transmitting a certified copy of the court's opinion rendered pertaining to the bill H. R. 3131, for the relief of Raymond B. Jeffrey, pursuant to sections 1492 and 2509, title 28, United States Code, and in accordance with House Resolution 383, 82d Congress; to the Committee on the Judiciary.

1198. A letter from the Secretary of State transmitting the 6th annual report of claims paid by the Department during the calendar year 1953, pursuant to section 404 of the Federal Tort Claims Act, as amended; to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 1110. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. H. CARL ANDERSEN: Committee on Appropriations. House Joint Resolution 358. Joint resolution to discharge indebtedness of the Commodity Credit Corporation; without amendment (Rept. No. 1111). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 416. Resolution for consideration of H. R. 2235, a bill to authorize the Secretary of the Interior to con-

struct the Santa Maria project, Southern Pacific Basin, Calif.; without amendment (Rept. No. 1112). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 417. Resolution for consideration of House Joint Resolution 358, a joint resolution to discharge indebtedness of the Commodity Credit Corporation; without amendment (Rept. No. 1113). Referred to the House Calendar.

Mr. O'HARA of Minnesota: Committee on Interstate and Foreign Commerce. S. 373. An act to extend the time for filing claims for the return of property under the Trading With the Enemy Act, with amendment (Rept. No. 1114). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 7465. A bill authorizing the appropriation of funds to provide for the prosecution of projects in the Columbia River Basin for flood control and other purposes; to the Committee on Public Works.

By Mr. ASPINALL:

H. R. 7466. A bill to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H. R. 7467. A bill to provide for Federal financial assistance to the States in the construction of public elementary and secondary school facilities, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT of Michigan:

H. R. 7468. A bill to amend section 203 (a) of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of motor carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLLING:

H. R. 7469. A bill to establish an effective housing program; to the Committee on Banking and Currency.

By Mr. BUDGE:

H. R. 7470. A bill to amend the act of June 30, 1950, relating to the extension of the terms of patents of World War II veterans; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. R. 7471. A bill to amend section 203 (a) of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of motor carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. CRETELLA:

H. R. 7472. A bill to provide for a determination by the Board of Engineers for Rivers and Harbors of the advisability of modifying the existing project at New Haven Harbor, Conn., in view of changed shipping and economic conditions; to the Committee on Public Works.

By Mr. ELLSWORTH:

H. R. 7473. A bill to authorize the construction and maintenance of certain harbor improvements at Gold Beach, Oreg.; to the Committee on Public Works.

By Mr. EVINS:

H. R. 7474. A bill to establish a Federal Board of Hospitalization, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. GRAHAM:

H. R. 7475. A bill to amend the Refugee Relief Act of 1953; to the Committee on the Judiciary.

By Mr. HAND:

H. R. 7476. A bill to deny benefits, under any Federal retirement systems, to persons convicted of crimes for any actions related to the holding of Federal employment by such persons; to the Committee on Post Office and Civil Service.

By Mr. HOFFMAN of Michigan (by request):

H. R. 7477. A bill to authorize the collection of indebtedness of military and civilian personnel resulting from erroneous payments, and for other purposes; to the Committee on Government Operations.

By Mr. HYDE:

H. R. 7478. A bill to provide for a commission to regulate the transportation of passengers by common carriers operating over regular routes within the metropolitan area of Washington, D. C., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JAVITS:

H. R. 7479. A bill to extend the time for the expiration of the commission and for the submission of additional reports by the Commission on Foreign Economic Policy, and for other purposes; to the Committee on Ways and Means.

By Mr. LONG:

H. R. 7480. A bill to amend the Internal Revenue Code to provide that the income-tax exemptions allowed a taxpayer shall in no case total less than \$3,500 if he is single or \$5,000 if he is married; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H. R. 7481. A bill to authorize the improvement of Playa del Rey Inlet and Basin, Venice, Calif.; to the Committee on Public Works.

By Mr. MACK of Washington:

H. R. 7482. A bill authorizing the appropriation of funds to provide for the prosecution of projects in the Columbia River Basin for flood control and other purposes; to the Committee on Public Works.

By Mr. O'HARA of Minnesota:

H. R. 7483. A bill to increase the salaries of the judges of the municipal court of appeals for the District of Columbia and the municipal court for the District of Columbia; to the Committee on the District of Columbia.

By Mr. O'HARA of Minnesota (by request):

H. R. 7484. A bill to authorize the United States attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment and other felonies, shall be tried in the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. PATMAN:

H. R. 7485. A bill to increase to 12 the number of members of the Board of Governors of the Federal Reserve System and to provide that their terms of office shall be 6 years, and to abolish the Federal Open Market Committee and transfer its functions to such Board; to the Committee on Banking and Currency.

By Mr. REED of Illinois:

H. R. 7486. A bill to amend section 1071 of title 18, United States Code, relating to the concealing of persons from arrest, so as to increase the penalties therein provided; to the Committee on the Judiciary.

By Mr. VELDE:

H. R. 7487. A bill to amend the Internal Security Act of 1950; to the Committee on Un-American Activities.

By Mr. WILLIAMS of New York:

H. R. 7488. A bill to amend section 23 of the Internal Revenue Code relating to deduc-



## V. MODERNIZATION OF NATIONAL HOUSING ACT

There are certain deficiencies and numerous obsolete and unnecessary provisions in the National Housing Act. The Housing Administrator will present to the appropriate committees of the Congress a number of proposals to modernize this basic law. These recommendations will include a scale of mortgage ceilings more realistically related to the increased cost of both single-family and multifamily structures and complementary revisions in mortgage ceilings for cooperative projects.

## VI. ADJUSTMENT OF PERMISSIBLE TERMS OF GOVERNMENT INSURED OR GUARANTEED MORTGAGES

Because inflationary or deflationary pressures can be accentuated or diminished by mortgage credit terms, Government operations in connection with the insurance or guarantee of mortgage loans should be judiciously adjusted to prevailing economic conditions. The Congress has already given the President limited authority to adjust from time to time, in the light of economic conditions, the permissible terms on Government-guaranteed and insured mortgages. I urge the Congress to broaden this authority to cover all loans insured by the Federal Housing Administration and guaranteed by the Veterans' Administration. Such authority would permit adjustments, within appropriate statutory limits, in maximum interest rates and in loan-to-value ratios and maturities. This action by the Congress would materially strengthen our ability to stabilize economic activity and high levels of production and employment. A fuller discussion of the importance of this recommendation will be included in the economic report to be submitted to the Congress on January 28.

## VII. SECONDARY MORTGAGE MARKET

In recent years the Federal National Mortgage Association has functioned as a primary lender rather than as a secondary source of mortgage credit. As a result the Federal Government now finds itself with substantial frozen investments in guaranteed and insured mortgages. Because of the terms on which these mortgages were written and the prices at which they were purchased, they are not readily salable in the private market. The following changes should therefore be made:

First. The Federal National Mortgage Association should be reorganized to require the users of the facility to invest funds on a basis which would eventually permit the full retirement of Government funds from secondary mortgage market operations. The Federal Government should be enabled to purchase the initial stock of the reorganized association, but private capital funds supplied by the users of the facility should be built up to speed the retirement of the Government's initial investment.

Second. The reorganized Federal National Mortgage Association should be given three basic responsibilities:

First, it should be authorized to issue its own nonguaranteed debentures on the private market. With the funds so obtained, it can perform a desirable service

by buying mortgages at market rates in areas where investment funds are scarce, for resale in areas where there is a surplus of funds. There is need for an organization to carry out this true function of a secondary market.

Second, the new Association should be authorized to manage and liquidate present mortgage holdings which are Government-owned assets. It should be made clear that such liquidation is to be accomplished in an orderly manner and in such a way as to protect the interests of the individual borrower. Since Treasury funds were used in the acquisition of these assets, all proceeds of this liquidation should be returned to the Treasury.

Third, the President should be enabled to authorize the Federal National Mortgage Association to borrow directly from the Treasury for the sole purpose of purchasing certain kinds and types of insured and guaranteed loans when the President determines such action to be necessary in the public interest. For this purpose the borrowing authority of the Association should be limited to a reasonable amount to be made available from the present Treasury borrowing authorization of the Association. Although outright primary support for certain types of loans may be desirable in the public interest from time to time, this support should be clearly identified as the direct use of Treasury funds for mortgage purchasing, and the extent of such support should be closely controlled.

Approval of these recommendations will correct the most serious defects of the present mortgage-purchasing operations of the Federal Government and will authorize an effective secondary market facility, relying primarily on private financing. It will also provide flexible authority under which the Federal Government could directly purchase mortgages, should economic conditions and the public interest indicate the need for such action.

## VIII. REORGANIZATION OF FEDERAL HOUSING ACTIVITIES

The present organization of Federal housing activities is unsatisfactory. The Housing and Home Finance Agency is a loosely knit federation of separate organizations. Its present structure is cumbersome, inefficient, and lacks clear-cut recognition of administrative authority. The result is confusing to the public. Neither the Congress nor the executive branch can expect it to achieve good and efficient management under its present structure. I shall, therefore, submit to the Congress a reorganization plan to provide a better grouping of housing activities headed by an Administrator with adequate supervisory authority.

I believe that this message offers the means whereby our Nation may provide more and better homes for our families. By applying these recommendations we shall add to the comfort and the health of our people; we shall strengthen the economic and social fibers of our Nation; and we shall reinforce the freedom and self-reliance which have brought greatness to our land. I urge,

therefore, that the Congress give to these recommendations its early and favorable consideration.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, January 25, 1954.

Mr. BOLLING. Mr. Speaker, today I have introduced a comprehensive housing bill.

The administration is to be commended in its efforts to assume the mantle and some of the program of the New Deal.

However, we must remember that the New Deal concerned itself with the vital problems of a past decade. The present-day housing shortage fills a different page in history, coming, as it does, after no-building war years and growing as a result of the sharp increase in families enlarged by the baby boom.

With the advice of housing expert Taft no longer available, it is understandable but unfortunate that the administration's recommendations fall so far short of past Republican proposals. Today we need not only the benefit of past experience in housing problems, but also new plans to solve a grave, new crisis. Some of the administration's recommendations are fine as far as they go, but the size of the program must match the size of the problem.

My bill incorporates the best of past recommendations and certainly has more right to be described as "progressive and dynamic" than does the largely inadequate administration housing program.

While I do not claim perfection for my bill, I am convinced that in its present form it would help fill two tremendous gaps in administration planning and program. First, it would constitute a real step forward in solving our terrible housing shortage, and second, it would help reverse the present economic downturn—which some are trying to pretend is not there—by encouraging the economic health of our national housing industry.

A brief description of my bill follows:

Title I restores the public-housing program of 1949, authorizing thereby the construction of 810,000 units of low-cost public housing at the rate of 135,000 units per year.

Title II provides a realistic answer to the housing problem of the middle-income group through the use of cooperative or nonprofit corporations, an amortization period of 50 years, a low-interest rate and a low down payment of not over 5 percent. A system of financial aid to cooperative housing would be established and technical assistance as well as loans for the planning of housing projects provided.

Title III would help eliminate the disgraceful, expensive slums, characteristic of so many of our cities. The slum clearance and urban development program is liberalized by reducing from one-third to one-fifth the costs local communities bear in making slum-cleared land available for approved new houses.

Title IV would restore the housing-research program authorized in 1948 and 1949 to assist in reducing housing



costs and to increase the production of better housing.

Title V reorganizes the Housing and Home Finance Agency by transferring from the Administrator to its constituent agencies responsibility for administering the operating programs of such agencies. The Administrator would be better enabled to control and coordinate the constituent agencies.

Title VI would provide the future buyer of 1- or 2-family houses, built with Federal assistance, a warranty that the house was built according to the plans and specifications on which Federal assistance was based.

Title VII establishes a new standby direct-loan program in the FHA for loans to low- and middle-income non-veterans for the purchase or construction of homes.

Title VIII extends and expands the Veterans' Administration's direct home-loan program.

#### NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 79)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Armed Services and the Committee on Interstate and Foreign Commerce, and ordered to be printed:

*To the Congress of the United States:*

In compliance with the provisions of the act of March 3, 1915, as amended, establishing the National Advisory Committee for Aeronautics, I transmit herewith the Thirty-ninth Annual Report of the Committee covering the fiscal year 1953.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, January 25, 1954.

#### COMMODITY CREDIT CORPORATION

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, and further ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTEN. Reserving the right to object, Mr. Speaker, may I ask that the unanimous-consent request be broad enough to enable me to offer the amendment which was discussed in our committee? I think it is highly important that it be offered.

Mr. H. CARL ANDERSEN. Certainly the request is broad enough to include any amendment the Speaker may hold germane to the joint resolution.

Mr. WHITTEN. I think the joint resolution itself is subject to a point of order.

Mr. H. CARL ANDERSEN. I agree with the gentleman that it is.

Mr. WHITTEN. Unless I can offer the following amendment, I shall have to object to this joint resolution's coming up, until we get a rule, because I think it was understood that I would have the privilege of offering the amendment to the joint resolution. I would like to present here the amendment:

After line 4, page 1, insert the following: "That the Congress hereby finds and declares that the farm-price-support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and governments have the inherent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

"SEC. 2. (a) The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands are essential to the national security; and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Defense Procurement Agency, and all commodities so transferred shall be taken off the market: *Provided, however*, That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Corporation stocks.

"SEC. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, and which are not committed for sale, shall be offered for sale for use outside the Continental United States, its Territories, and possessions, at prevailing or competitive world prices: *Provided, however*, That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist dominated countries when in his opinion such sales would be against the interest of the United States."

This will save the Government untold hundreds of millions of dollars and will save our farm program.

The SPEAKER. The Chair will rule on points of order when they are made.

Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTEN. I object, Mr. Speaker.

#### COMMITTEE ON RULES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report on House Joint Resolution 358.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### THE FEDERAL RESERVE BOARD

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain extraneous matter.)

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. H. CARL ANDERSEN. Mr. Speaker, the gentleman from Mississippi [Mr. WHITTEN] is of the opinion that the request which I made in reference to House Joint Resolution 358 and as to amendments being offered, which you might personally hold germane, is sufficient for his purpose and, therefore, I believe he will withdraw his objection.

Mr. PATMAN. Mr. Speaker, if the gentleman please, I am not yielding for that purpose. I thought the gentleman wanted to make a unanimous-consent request.

The SPEAKER. The gentleman from Texas declines to yield.

Mr. PATMAN. My time is limited and I would not want to yield for that purpose.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield for a unanimous-consent request.

The SPEAKER. The Chair would inform the gentleman from Texas that if he desires to yield, his time will commence to run, of course, when he is recognized following whatever business is transacted.

Mr. PATMAN. I am glad to yield for a unanimous-consent request, but not to take up any legislation.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield for a request.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that I may be permitted to withdraw my objection to bringing the matter up at the conclusion of the gentleman's time.

Mr. PATMAN. Mr. Speaker, I hope the gentleman will not insist on that, because I was on my feet when that question came up before, and because I am interested in that legislation also.

Mr. WHITTEN. I say at the conclusion of the gentleman's time.

The SPEAKER. The Chair will recognize the gentleman from Minnesota to renew his request after the gentleman from Texas has concluded his special order.

#### CHANGE FEDERAL RESERVE SYSTEM

Mr. PATMAN. Mr. Speaker, I have introduced today a bill to make certain changes in the Federal Reserve System to carry out part of the original intent of the law. The bill would change the Federal Reserve Board to 12 members, that is, change the board from 12 members on the Board of Governors instead of 7 members as at present. There would be one member from each of the 12 Federal Reserve districts.

The bill would abolish the Open Market Committee which is now composed of 12 members, 7 members of the Board of Governors and 5 presidents of Federal Reserve banks.

The bill, in addition, would make the term of office 6 years for a member of the Board of Governors instead of 14 years, and would permit the present



twenties, but now they are investing it in Government guaranteed paper and in United States Government bonds. They are loaned up in Government bonds and other riskless paper, and they do not have the incentive and the desire to serve the people locally as they should. So I think that is one of the biggest questions before us. It affects small business; it affects every kind of business; it affects the ability of the best and most deserving person in your community getting consideration of an application for a loan. How considerate will that bank be when they are already getting all the money that they can possibly make through outside, riskless paper in the form of Government paper and Government-guaranteed paper. So the gentleman has raised a good point.

Mr. HOFFMAN of Michigan. The gentleman has introduced a bill to remedy this situation. Will the gentleman tell me what the number of it is?

Mr. PATMAN. It has not been numbered. I just dropped it in the hopper.

Mr. HOFFMAN of Michigan. Today?

Mr. PATMAN. Yes.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. PATMAN. So, I want to discuss some time more fully the question that the gentleman has asked. And I wonder if the banks now are as active and alert in fulfilling their obligations to the public as they have been in the past for the reasons that I have just outlined. I wonder why the number of banks in this country, although our population has increased tremendously more than any other similar length of time in the history of our Nation, in the last 20 years, have actually gone down 1,500. We have 1,500 fewer banks than we had 20 years ago. Why is that? We have 50 percent fewer banks now than we had 22 years ago. The number of banks are going down. The number of people are going up. Service charges are going up. More bonds are going into the vaults of the private banks. Please understand I am strong for a privately owned commercial banking system. I believe it should be strong. It cannot be strong unless it is profitable. Therefore, I believe in a fair and reasonable profit for the banks.

Mr. Speaker, those are questions that this Congress should look into.

#### DISCHARGE INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

Mr. H. CARL ANDERSEN. Mr. Speaker, I call up the resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, and ask unanimous consent that the resolution be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. JAVITS. Mr. Speaker, reserving the right to object, and I am going to object, I may tell the gentleman, unless an opportunity is given to the Members of the House who are not here and those

who are here to know more about this resolution. I will ask the gentleman what information has been made available to the Members of the House for this step involving something over \$700 million.

Mr. H. CARL ANDERSEN. I might say to the gentleman that opportunity will be given every Member who might wish time for asking questions and discussing the resolution. That is about as far as I can go at this time. Might I say as far as urgency is concerned, this matter was brought before the House this morning by an additional budget estimate from the President. I do not think the gentleman or any other Member of the House, if he knew the conditions of urgency which exist, would object to the consideration of this legislation today.

Mr. JAVITS. The difficulty is that we do not know the conditions. There is no real representation made as to the conditions. Is the gentleman representing to us that if this matter comes up on Wednesday and does not come up today a major interest of the country will be compromised? If so, can he tell us why?

Mr. H. CARL ANDERSEN. I do not make any such representation. I do say that this is a very urgent matter and that there will be ample opportunity, if I handle the joint resolution, for any Member on the floor to ask questions and discuss the joint resolution when it is being considered.

Mr. JAVITS. I would like to inform my colleague that I shall object unless my colleague makes that unanimous-consent request to take effect on Wednesday. I would be willing to see the matter taken up then under fair conditions of debate and amendment and with information made available in advance bearing on the bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Indiana.

Mr. HALLECK. I feel some embarrassment about this by reason of my position as majority leader. Of course, I understand the significance of the statement of the gentleman from Minnesota as to the importance of this matter. It is important. The very fact that it is important is the thing from which my feeling of responsibility arises, because in announcing the program last week I said that, so far as I knew, there was nothing of consequence that would be called up today, and that if anything of consequence were to develop, ample opportunity would be given Members so that they could be on the floor.

Again, may I say to the gentleman that I appreciate the importance of this matter. It involves the solvency of the Commodity Credit Corporation under its operations involving the purchase of farm commodities. It involves certain other aspects of our whole situation regarding the Treasury. To many Members who have come to me and spoken to me, particularly many representing urban districts, it is a matter about which they want to be fully informed and on which they might have something to say. Of course, the objection was originally made by the gentleman

from Mississippi [Mr. WHITTEN] when the request was granted. In the interim numerous representations have been made to me, as I pointed out.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. TABER. I wonder if the gentleman would be satisfied with this—that the consent request be amended to read as follows: That it be in order to move on Wednesday next that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, with general debate to be not to exceed 2 hours, to be equally divided between the chairman and the ranking member of the Subcommittee on Agricultural Appropriations.

Mr. PATMAN. Reserving the right to object, Mr. Speaker, I was on my feet when the gentleman from Mississippi reserved the right to object, so I am not a newcomer in this. I can see in this something that I think the Members should more thoroughly understand before voting on it. At least, I would like to know about it. I do not know that I want to take the responsibility of objecting to its coming up. I will not say that I will go that far. But I want to invite the attention of the Members to the fact that I do not think it is a compliment to the House now, or the practice in the past, for things to be brought up here so quickly and suddenly, without giving the average Member like myself, who is not on the committee that is affected, an opportunity to know what it is all about.

In developing that thought just briefly, may I say that last year we had a very important bill that was a bill to raise the debt limit of the United States from \$275 billion to \$290 billion. If any bill in the world should have been developed fully before a committee, it was that bill. Extensive hearings should have been held before the committee and the hearings should have been printed and made available to the Members.

But if they were available, I do not know anything about it. I was unable to get any hearings. I was told that the testimony of witnesses was taken down and was not printed. The bill passed here without Members knowing too much about it because we had not had the bill up for hearings. Of course, we all go back home to our districts and talk to service clubs and tell the people and point with pride to the fact that bills receive such careful consideration, that witnesses are heard and that testimony is taken down and printed and furnished to all Members of the House and Senate, and that we know exactly what we are doing, and that we have considered every paragraph and every sentence and every phrase and every bit of punctuation, and that we know all about it. We brag about that, but in practice we do not do it. When that bill went over to the other body, they did have a hearing but it was an executive hearing which is just as bad. I doubt if any Member of the House can see those hearings. Newspaper people have seen them. They are all around,



all over town, but Members of the House cannot get hold of them. They have some startling, sensational testimony in those hearings, but it is executive—not available to you. The point I am trying to make, is that it is legislative by secrecy. It is not star chamber proceedings, I would not go that far, but it is not advising the Members of the information upon which they can predicate their judgment and vote on a bill. That is what I want in reference to this bill. The Commodity Credit Corporation is something that I have given a great deal of thought and study to, and something has happened in the recent past that I do not like. That is the reason that this bill attracted by attention. I think it dovetails into it. The banks have been loaded down with all kinds of Government paper. I am told, at least through the press I get this information and certainly from the financial journals that they have been getting the banks to take this Commodity Credit Corporation paper so as to keep below the debt ceiling. I would like to ask the gentleman if that is one of the reasons they are selling the Commodity Credit paper to the banks to keep below the \$275 billion debt ceiling. Is that right?

Mr. JAVITS. Mr. Speaker, do I still have the floor?

The SPEAKER. The gentleman from Texas has the floor under his own reservation of objection.

Mr. HALLECK. Then, Mr. Speaker, under the gentleman's reservation, will he yield to me to answer that?

Mr. PATMAN. I yield to the gentleman if that is permissible.

Mr. HALLECK. My understanding is that the question which the gentleman raises is substantially correct. Of course, I did my part in the matter of raising the debt limit last July. I went along as a Republican when Democrats were raising the debt limit, because I thought that it was absolutely essential to the functioning of the Government. If I understand this situation correctly, among many of the things to which those in charge of the fiscal affairs of our Government have resorted, to keep under the debt ceiling by reason of the failure of the other body to act, is this matter to which the gentleman refers. Of course, the CCC has at time borrowed in the open market under the authority of the act.

Mr. PATMAN. That is what makes it look so serious to me. Are we helping them to get around it? I think we should do that sort of thing directly.

Mr. HALLECK. The gentleman was gracious to yield to me, and I hope that he will permit me to conclude.

Mr. PATMAN. Certainly.

Mr. HALLECK. As I understand it, the Commodity Credit Corporation as a part of the overall operation to keep under the debt limit has borrowed certain sums from private sources which do not figure in the overall national debt, and hence avoid the operation of the debt limit. From that fact alone, the gentleman may, of course, see something of the urgency for action in this matter because he will agree with me, I am sure, that if there is a question about the capital of the Commodity Credit Corporation

or the attitude of the Congress with respect to it, that might suddenly indicate a situation where these loans would be called. However, may I say again, it is a matter of extreme importance brought on here primarily, because as we were warned quite some time ago that the capital allowance of the Commodity Credit Corporation is rapidly being exhausted, and now we are up against it. That leads me to say again, Mr. Speaker, in view of what I said last week about the program, I would prefer that the request of the gentleman from New York, that this matter come up on Wednesday, be granted. I think that is ample time as I understand the situation. I would prefer that that request prevail if one of these unanimous-consent requests is to prevail. And if not, I would hope that the gentleman from Minnesota would withdraw his request, and we can then proceed under a rule which could be filed in an orderly manner to get this matter up for discussion on Wednesday.

Mr. PATMAN. Now the gentleman has raised the very point I was apprehensive of. This is needed not so much in the matter of the Commodity Credit transactions as it is needed to help somebody get off the spot in the matter of the national debt limit.

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. It is to follow a parliamentary inquiry as to whether this is to continue for any length of time, because if it is then I think we ought to have a quorum in order to get the matter decided.

The SPEAKER. The Chair will state that it will continue until a Member demands the regular order.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask for the regular order.

Mr. PATMAN. Mr. Speaker, of course I shall have to object. I have a statement to make.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] demands the regular order.

Mr. PATMAN. If I cannot finish my statement, I shall be compelled to object.

Mr. H. CARL ANDERSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The Chair states that the regular order has been demanded and other requests are not in order at this time.

Mr. NICHOLSON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. NICHOLSON. My point of order is that the amendment offered by the gentleman from New York [Mr. TABER] takes this matter out of the hands of the Committee on Rules.

The SPEAKER. That may be the result technically, but that is a subject for the House to consider. The regular order has been demanded.

Mr. H. CARL ANDERSEN. Mr. Speaker, I withdraw my unanimous-consent request.

Mr. PATMAN. Mr. Speaker, I thought I had the floor on a reservation of objection.

The SPEAKER. The regular order has been demanded and reservations of objection are not in order. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] has withdrawn his request.

Mr. PATMAN. Has the gentleman from New York [Mr. TABER] withdrawn his request?

The SPEAKER. There is nothing before the House at this time except a special order granted the gentleman from Michigan [Mr. HOFFMAN].

#### SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan. I ask unanimous consent to address the House for 20 minutes on Wednesday next, following the legislative program of the day and any special orders heretofore entered, and I yield back the time granted me for today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the calendar on Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### ADJOURNMENT OVER TO WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### THE RANDALL COMMISSION REPORT

The SPEAKER. Under special order heretofore entered, the gentleman from West Virginia [Mr. BAILEY] is recognized for 60 minutes.

Mr. ANGELL. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Oregon.

Mr. ANGELL. Mr. Speaker, I have a special order and ask that my remarks may be extended at the conclusion of the remarks of the gentleman who is now addressing the House [Mr. BAILEY], and that extraneous material may be included.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. BAILEY. Mr. Speaker, the Committee on Foreign Economic Policy, the so-called Randall committee, has made its report. I must say that it is a most disappointing and confusing one. Like the old "one-hoss shay," it is wonderfully and fearfully made. I do not think it will please many who are interested in



**President's Message—Housing:** Heard the reading of a message from the President submitting to the Congress recommendations for a new public housing program of 140,000 federally financed homes and more low-income housing. The message was referred to the Committee on Banking and Currency and ordered printed as a House document (H. Doc. 306).

Pages 711–713

**Committee Elections:** Adopted H. Res. 415, electing Representative McCarthy to the Committee on Banking and Currency; Representative Dodd to the Committee on Foreign Affairs; Representative Williams of New Jersey to the Committee on Government Operations; and Representatives Johnson of Wisconsin and Natcher to the Committee on Veterans' Affairs.

Page 709

**Committee Memberships:** Adopted H. Res. 418, increasing the memberships of House committees, as follows—Banking and Currency to 30 members; Foreign Affairs to 30 members; and Veterans' Affairs to 28 members.

Page 709

**Committee Resignations:** The resignations of Representative McCarthy from the Committee on Interior and Insular Affairs, and Representative Dodd from the Committee on Government Operations, were received and accepted.

Page 709

**President of Turkey:** Agreed to an order of business that on Friday, January 29, the Speaker be empowered to call a recess at any time for the purpose of receiving in joint meeting His Excellency Celal Bayar, President of Turkey.

Page 711

**Order of Business:** Calendar Wednesday business, in order on January 27, was dispensed with pursuant to a unanimous-consent request.

Page 718

**Rules:** The Committee on Rules was granted permission to file, by midnight Tuesday, certain reports.

Page 714

**Program for Wednesday:** Adjourned at 2:47 p. m. until Wednesday, January 27, at 12 o'clock noon, when the House has scheduled the consideration of H. J. Res. 358, to discharge indebtedness of the Commodity Credit Corporation.

## Committee Meetings

### NATIONAL DEFENSE

**Committee on Armed Services:** Charles E. Wilson, Secretary of Defense, and Adm. Arthur W. Radford, Chairman of the Joint Chiefs of Staff, conferred with the committee in executive session today on the subject of national defense. Adjourned until tomorrow morning when hearings will commence on H. R. 7103, commissioned officers' limitation bill.

### COLORADO RIVER PROJECT

**Committee on Interior and Insular Affairs:** The Subcommittee on Irrigation and Reclamation resumed hearings today on H. R. 4443, 4449, and 4463, to authorize the Secretary of the Interior to construct, maintain, and operate the Colorado River storage project and participating projects. Witnesses testifying on behalf of the proposed projects were Sam Shkeah, chairman, Maxwell Yazzie, chairman of the engineering committee, and Howard Gorman, chairman of the resources committee, all of the Navajo Tribal Council, New Mexico; I. J. Coury, Interstate Stream Commission, New Mexico; Randy H. Hamilton, American Municipal Association; Angus McDonald, National Farmers Union; Frank Delany, Colorado River Water Conservation District, Glenwood Springs, Colo.; John B. Barnard, representing Middle Park Water Conservancy District, Granby, Colo.; John L. Gregg, manager, Elephant Butte Irrigation District, New Mexico; A. P. Rollins, board of water engineers, Austin, Tex.; Louis Scott, Rio Grande compact commissioner, El Paso, Tex.; and N. B. Phillips, manager, El Paso (Tex.) Water Improvement District No. 1.

At hearings on the same proposal last Saturday, testimony on behalf of the legislation was received from John R. Erickson, commissioner for New Mexico, Upper Colorado River Commission; and John Patrick Murphy, executive secretary, Middle Rio Grande Flood Control Association. Speaking in favor, if amended, were D. C. Moffatt, Utah Power & Light Co.; and L. R. Paterson, Public Service Co. of Colorado. The last witness for the day, testifying in opposition, was Michael Petruska, New York State Conservation Council, Troy, N. Y. Hearings will be continued tomorrow (Tuesday).

### AGENDA

**Committee on Interstate and Foreign Commerce:** Heard sponsors of bills pending before the committee, as follows—

H. R. 6174, to encourage coal exports in order to ease the critical situation in the domestic coal industry (Representative Bailey);

H. R. 5988 and 5896, bills amending section 9 (a) of the Trading With the Enemy Act, relative to sale (by Alien Property Custodian) of property claimed by other than an enemy in any suit under the provisions of the act, upon determination by the President in war or emergency (Representatives Cole of New York and O'Brien of New York, respectively);

H. R. 5692, to extend the period for filing claims for compensation by prisoners of war (Representative Dempsey);

H. R. 6253, providing overtime compensation for employees of the Public Health Service (Representative Pelly);



H. R. 6310, amending the Civil Aeronautics Act to exempt certain products from CAB regulations (Representative Younger);

H. R. 6285, the National Leprosy Act (Representative Thompson of Louisiana); and

H. R. 5713, amending the Railway Labor Act to enable employees covered by proposed union-shop and checkoff agreements to vote to ratify or reject such agreements (Representative Bentley).

#### ALIEN PROPERTY, CLAIMS

*Committee on Interstate and Foreign Commerce:* Ordered reported favorably to the House S. 373, to extend the time for filing claims for the return of property under the Trading With the Enemy Act. A companion House bill (H. R. 2681) was tabled. Departmental officials answering questions on the legislation today were Whitney Gilliland, Chairman of the War Claims Commission; Sal Lindenbaum, Office of Alien Property, Department of Justice; and Ely Maurer, Office of Legal Adviser, Department of State.

#### AIRMAN—DEFINITION

*Committee on Interstate and Foreign Commerce:* Ordered reported favorably to the House H. R. 7395, to amend the definition of "airman" in the Civil Aeronautics Act of 1938.

#### PARCEL POST, WEIGHT LIMITATIONS

*Committee on Post Office and Civil Service:* The Subcommittee on Postal Operations authorized Representative St. George (chairman) to request from the Postmaster General further clarification of the Department's position and recommendations on adjusting the size and weight limitations on parcel post sent through the mail.

#### GARRISON DAM

*Committee on Public Works:* Subcommittee on Flood Control held a hearing on H. R. 7282, to provide for the return to the former Indian owners of certain lands acquired in connection with the Garrison Dam project of mineral interests in such lands. Witnesses testifying were Martin Cross, chairman, Three Affiliated Tribes, Fort Berthold Reservation, Elbowoods, N. Dak.; Guy Fox and William Deane, both of the tribal business council; Mrs. Helen Peterson, executive secretary, Na-

tional Congress of American Indians; Q. R. Schulte, tribal attorney, Stanley, N. Dak.; Representative Krueger, of North Dakota; and Miss Laura P. Knudson, secretary to Representative Burdick, author of the bill.

#### COMMODITY CREDIT—SANTA MARIA PROJECT

*Committee on Rules:* Granted an open rule providing for 2 hours of general debate on H. J. Res. 358, to discharge indebtedness of the Commodity Credit Corporation. Testifying on the joint resolution were Representatives H. Carl Andersen (author of the measure), Taber, Whitten, and Horan.

Also granted an open rule providing for an hour's debate on H. R. 2235, the Santa Maria construction project in California.

#### GENERAL TAX REVISION

*Committee on Ways and Means:* Agreed to two substantive provisions today in the general revenue revision bill of 1954, as follows—

1. *Child care expenses.*—Adopted a new provision permitting the deduction of up to \$600 for expenses incurred by the taxpayer for child care to make it possible to keep a job. The deduction is to be available only to the extent child care expenses are actually incurred. This deduction can be taken by widows, widowers, legally separated or divorced persons, or mothers whose husbands are mentally or physically defective. The \$600 deduction is available for expenses for the care of 1 or more children under age 10. If the child is between the ages of 10 and 16 this deduction is to be available if the child is physically handicapped to such an extent that he is unable to attend a regular school. To qualify the child must be a son, daughter, or stepchild of the taxpayer, or an adopted child. The \$600 limitation applies whether the taxpayer has one or several children. Amounts paid to one who is a dependent of the taxpayer cannot be claimed as deductible expenses for child care.

2. *Denial of interest deduction for debt for insurance contracts.*—Under present law no deduction may be taken for interest on debt incurred to purchase a single-premium-payment life-insurance or endowment contract. The committee extended this denial of the interest deduction to cover interest paid on single-payment annuity contracts. Under present law if substantially all of the premiums on 1 of these insurance contracts are paid within 4 years they are considered single-premium-payment contracts. The committee extended this definition of single-premium-payment contracts to cover cases where payments are deposited with an insurer for payment of a substantial number of future premiums.

Adjourned until tomorrow morning.

#### COMMITTEE MEETINGS FOR TUESDAY, JANUARY 26

(All meetings are open unless otherwise designated)

##### Senate

*Committee on Appropriations,* Subcommittee on Army Civil Functions, with General Haislip, Governor of Soldiers' Home, 10 a. m., room F-39, Capitol; Subcommittee on Treasury-Post Office, with Postmaster General Summerfield, 2 p. m., room F-82, Capitol; full committee, executive, on H. J. Res. 354, to increase travel expenses of Hoover Commission, 11 a. m., room F-37, Capitol.

*Committee on Banking and Currency,* executive, to consider continuation of hearings pursuant to S. Res. 25, investigation of means to expand foreign investment and trade, 10 a. m., 301 Senate Office Building.

*Committee on Foreign Relations,* executive, committee calendar, 10:30 a. m., room F-53, Capitol.

*Committee on Interior and Insular Affairs,* executive, on committee business, 10 a. m., 224 Senate Office Building.

*Committee on the Judiciary,* subcommittee, on S. 1 and S. 535, civil rights, with Senator Humphrey and representatives of NAACP and AVC, 10 a. m., 424 Senate Office Building.

*Committee on Labor and Public Welfare,* on nomination of Albert Cummins Beeson, of California, to be a member of the







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued January 28, 1954  
For actions of January 27, 1954  
83rd-2nd, No. 15

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HIGHLIGHTS: House passed measure to restore CCC's capital impairment, etc. Whitten amendments, to stockpile certain commodities and sell others in world market, were ruled out of order. House received budget estimate for Mexican farm-labor program. Rep. Moulder criticized USDA's handling of drought-relief program. Senate committee reported bill to increase CCC borrowing authority. Senate committee reported Hawaii statehood bill. Rep. Jensen inserted his statement favoring Secretary's SCS reorganization and inserted USDA press releases on this subject. Reps. Whitten and Winstead introduced bills authorizing sale of CCC commodities. Rep. Carnahan introduced bill authorizing distribution of CCC commodities to American taxpayers. Rep. Trimble introduced bill to aid drought areas.

## HOUSE

1. COMMODITY CREDIT CORPORATION. Passed, 323-27, without amendment H. J. Res. 358, to discharge CCC indebtedness to the Treasury in the amount of \$741,548,738 as follows: Capital impairment, \$609,930,933; international wheat agreement, \$129,553,795; and eradication of foot-and-mouth disease, \$2,064,060 (pp. 847-69). Two amendments by Rep. Whitten were ruled out of order on points raised by Rep. Horan that the amendments were not germane to the measure (pp. 857-61, 866-8). One of these amendments (which Rep. Whitten said should be considered by the legislative committee as separate legislation) would direct CCC to determine what part of present stocks of commodities should be held as essential to the national security or in the national interest, would require transfer of such commodities to the Department of Defense, and would require that remaining CCC commodities be offered for sale outside the U. S. at prevailing or competitive world prices. The other amendment would require that CCC commodities, in the amount specified in H. J. Res. 358, be offered for export sale at prevailing or competitive world prices.
2. DROUGHT RELIEF. Rep. Moulder criticized USDA's handling of the drought-relief program as "inefficiently and unfairly administered" and inserted a telegram from the Missouri Governor to Secretary Benson requesting the Federal Government to reimburse Missouri for expenditures made under this program (p. 842).
3. FARM-LABOR APPROPRIATION. Received the President's budget estimate of \$550,000 for the Labor Department to continue the Mexican farm-labor program (H. Doc. 308) (p. 882).



4. COFFEE PRICES. Reps. Sullivan and Gross blamed the State Department, etc., for increases in coffee prices (pp. 840-2, 846).
  5. TRANSPORTATION. Received ICC's annual report (p. 882).
  6. RECLAMATION. Rep. Shelley spoke favoring construction of the Santa Maria project, Calif., but criticized parts of H. R. 2235, authorizing the project (pp. 873-4).
  7. TREATIES. Rep. Roosevelt spoke against the Bricker amendment to restrict the President's treaty power (pp. 876-81).
  8. PERSONNEL. Rep. Rees spoke on the need for "maintaining the highest standards in our Federal civil service" which "applies to integrity and moral conduct as well as ability," and recommended that the loyalty program should be separate from the program dealing with suitability of employees (pp. 872-3).
  9. SURPLUS COMMODITIES; FOREIGN TRADE. Received an American Legion (N. J. Department) petition opposing sale of surplus butter and cottonseed oil to Russia (p. 885).
- SENATE
10. CCC BORROWING AUTHORITY. The Agriculture and Forestry Committee reported with amendment S. 2714, to increase the borrowing power of the Commodity Credit Corporation from \$6,750,000,000 to \$8,500,000,000 (S. Rept. 888) (p. 798). The "Daily Digest" states that "The amendment to this bill would strike out the effective date of July 1, 1954, and would make the provisions effective immediately upon enactment" (p. D68). Sen. Williams submitted amendments to this bill (p. 805).
  11. HAWAII STATEHOOD. The Interior and Insular Affairs Committee reported with amendments S. 49, the Hawaii statehood bill (S. Rept. 886) (p. 798). The "Daily Digest" stated that prior to approval of this bill the committee adopted a motion made by Sen. Dworshak to reconsider the vote by which Title II, providing statehood for Alaska, was attached to S. 49 and unanimously agreed that the Alaska bill (S. 50) will be voted on by the committee not later than Feb. 4 (p. D68).
  12. PERSONNEL. Agreed to print the report on retirement provisions for Federal personnel (S. Doc. 89) (pp. 798-99).
  13. TREATIES. Continued debate on S. J. Res. 1, proposing a constitutional amendment to limit the President's treaty power (pp. 806-9, 820-29).
  14. TRANSPORTATION. Received ICC's annual report (p. 797).
  15. SURPLUS FOOD. Sen. Morse spoke on the problem of the disposal of surplus food, stating that he would give his "wholehearted cooperation in trying to work out a procedure by which quantities of surplus food can be made available to every person in the U. S. who needs it and does not have the wherewithal to purchase it" (pp. 829-30).
  16. BUDGETING. Sen. Morse discussed the President's budget, claiming that it would dampen and shrink the national economy and stating that "The policy of inflexible 100 percent of parity price supports for industrial monopolists is in marked contrast to the sliding scale flexible price supports that the administration wants farmers to accept" (pp. 830-38).

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. J. RES. 358

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IN THE SENATE OF THE UNITED STATES

JANUARY 27 (legislative day, JANUARY 22), 1954

Read twice and referred to the Committee on Appropriations

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## JOINT RESOLUTION

To discharge indebtedness of the Commodity Credit Corporation.

1        *Resolved by the Senate and House of Representatives*  
2        *of the United States of America in Congress assembled,*

3                DEPARTMENT OF AGRICULTURE

4                COMMODITY CREDIT CORPORATION

5        The Secretary of the Treasury is hereby authorized and  
6        directed to discharge indebtedness of the Commodity Credit  
7        Corporation to the Secretary of the Treasury by cancelling  
8        notes issued by the Corporation to the Secretary of the Treas-  
9        ury (1) in the amount of \$609,930,933 for the capital  
10       impairment determined by the appraisal of June 30, 1953,  
11       pursuant to sections 1 and 4 of the Act of March 8, 1938,  
12       as amended (15 U. S. C. 713a-1, 4) ; (2) in the amount



1 of \$129,553,795 for the net costs during the fiscal year  
2 1953 (including interest through the date of enactment  
3 hereof) under the International Wheat Agreement Act  
4 of 1949 (7 U. S. C. 1641-1642) ; and (3) in the amount  
5 of \$2,064,060 for the funds transferred and expenses incurred  
6 through the fiscal year 1953 (including interest through  
7 the date of enactment hereof) under the head "Eradication  
8 of foot-and-mouth and other contagious diseases of animals  
9 and poultry" pursuant to authority granted in the Depart-  
10 ment of Agriculture Appropriation Act, 1953.

Passed the House of Representatives January 27, 1954.

Attest:

LYLE O. SNADER,

*Clerk.*



83d CONGRESS  
2d Session

# H. J. RES. 358

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## JOINT RESOLUTION

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To discharge indebtedness of the Commodity  
Credit Corporation.

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JANUARY 27 (legislative day, JANUARY 22), 1954

Read twice and referred to the Committee on  
Appropriations



ceive much needed food and clothing.

In order that the House may have some idea of the type of duty which is imposed upon these gift packages, I submit the following:

One kilo of coffee is to be taxed at 100 zlotys.

One small box of pepper at 100 zlotys.

One pair of shoes—whether new or old—at 150 zlotys.

Other items of clothing—whether new or old—are taxed about the same as shoes.

The value of 1 zloty can best be gaged by the fact that an average laborer in Poland gets about 750 zlotys a month. By this yardstick it would take 1 week's work in order that some unfortunate Pole be permitted to receive an old pair of shoes from an American.

During recent years thousands of Americans have been sending large numbers of packages containing food, clothing, and other necessities of life to many countries the world over. All this has been done to alleviate the hardship through which many people the world over are enduring. It is unfortunate that the Polish people should be deprived of these benevolent acts of individual American citizens.

I urge support for my resolution and request such cooperation as other members of this honorable body can give by submitting the necessary protest through our Department of State.

#### EXTENSION OF THE MISSING PERSONS ACT

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7209) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1955.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 15, Missing Persons Act (56 Stat. 147, 1093), as amended by subsection 1 (f), act of April 4, 1953 (Public Law 16, 83d Cong.), is amended by deleting the word "February 1, 1954", and inserting in lieu thereof "July 1, 1955."

Mr. SHORT. Mr. Speaker, I move to strike out the last word:

Mr. Speaker, a brief explanation at this point is in order. I am sure it would be beneficial to Members because they may have questions concerning this piece of legislation.

Mr. Speaker, the purpose of the bill before the House is to extend and continue the effectiveness of the Missing Persons Act.

This act is the sole authority which allows the heads of executive departments to continue to credit the pay accounts and make, continue, or modify allotments to dependents of service personnel and civilians who are in a missing status.

This law was originally enacted in 1942 and remained in effect until 1947. It was revived by the Selective Service Act of 1948 and has been extended by various acts until February 1, 1954.

Unless the Congress takes some action this month to extend this law, it will expire on February 1, and I do not think that the Congress would wish to allow this to happen.

The Department of Defense is currently carrying 3,205 persons as captured or missing as a result of the Korean conflict. These are the latest figures: The Army lists 2,608 men as missing; the Air Force, 336; the Navy, 74; and the Marine Corps, 187.

There is no way of knowing which of these persons are still in the hands of the Chinese Communists or which have been killed. As you all know, our Government maintains the belief that there are still prisoners of war being secretly held by the Chinese Communists who have not been listed by the enemy as prisoners.

The Missing Persons Act is the only legislative authority whereby the accounts of these men may be continued to be credited with their pay and, further, the only authority whereby their allotments to their dependents may be continued. We must not allow this act to expire. Many of the dependents of these missing or captured servicemen have no other source of income but the allotments which their sons or husbands made for them before being captured or declared missing in action. Furthermore, the executive departments have no way of knowing which of these men should be declared dead because there is no evidence to support a finding of death.

The Department of Defense believes that the Missing Persons Act should be revised and enacted as permanent legislation, but the subject is a complicated one and requires extensive study. Such a study is currently being conducted within the Department of Defense, in conjunction with other interested departments and agencies of the executive branch.

I believe that by extending the law until July 1, 1955, which is what H. R. 7209 would do, sufficient time would be given to the Department of Defense and the Bureau of the Budget to complete their studies and propose new legislation to the Congress.

Mr. MILLER of California. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, the chairman of the Committee on Armed Services has explained this bill succinctly and the importance of continuing the act is self-evident. This bill came out of our committee unanimously and I know of no opposition to it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CONTINUING THE PERSONNEL STRENGTHS OF THE ARMED FORCES

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2320) to amend the act of August 3, 1950, as amended, to continue in effect the provi-

sions thereof relating to the authorized personnel strengths of the Armed Forces.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 1 of the act of August 3, 1950 (64 Stat. 408), as amended by section 3 of the 1951 Amendments to the Universal Military Training and Service Act (65 Stat. 88), is further amended by striking out the date "July 31, 1954" and inserting in lieu thereof the date "July 31, 1958."

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, just a brief word of explanation. As you all know under present permanent law the total strength of our Armed Forces is limited to 2,005,882. When the Korean conflict broke out we raised that ceiling not to exceed 5 million. We built up our Armed Forces to a strength of approximately 3½ million men. More than 200,000 have been reduced from that number until today our total armed strength is approximately 3,300,000 or 3,250,000. It will be gradually reduced a bit, but for the foreseeable future, certainly for the next 4 years, we will have an armed force of approximately 3 million men. This simple bill is to extend from July 31, 1954, to July 31, 1958, the amended legislation that permits us to have more than the 2,005,882 as provided under present law.

Mr. MILLER of California. Mr. Speaker, I wish to strike out the last two words.

Mr. Speaker, this, like the preceding bill is an emergency piece of legislation that has come out of the committee unanimously, and the necessity for its enactment is evident.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### COMMODITY CREDIT CORPORATION

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 417 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, to discharge indebtedness of the Commodity Credit Corporation. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.



Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and yield myself such time as I may desire.

Mr. Speaker, this rule makes in order the consideration of House Joint Resolution 358 which was unanimously reported from the Committee on Rules and, as I understand, unanimously reported from the Committee on Appropriations.

I have only one request for time, Mr. Speaker. I yield 3 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Speaker, I am a little disappointed that the distinguished gentleman from Massachusetts [Mr. NICHOLSON] did not give us the benefit of his usual eloquence. I thought before I got any time on this bill I would hear from him and there would be an explanation of it, and that I would have something to shoot at. Now it may be that I will have to ask for more than 3 minutes to deal with this \$750 million that goes to the benefit of a segment of the population that represents, according to the Secretary of Agriculture, some 20 million people, which is a little over 10 percent of our population.

It so happens, Mr. Speaker, that I represent a district that does not boast a large number of cows or other livestock; in fact, I say with some regret that there probably is not a cow in the district except when the livestock show meets at Madison Square Garden. I doubt that there is any other breeding establishment of animals other than the one that I discovered some years ago in a basement in the district where they raised chinchilla rabbits. So I think I am qualified by the character of my district and the people in it to say a word for the 140 million forgotten people who pay these farm support subsidies, both in higher prices and taxes.

I speak for them because they represent the 90 percent of the people of this country who have been paying 90 percent of subsidies to 10 percent of the people of the country, and paying ruinous and destructive taxes for the rare privilege of paying that 90 percent of parity to the 10 percent of the people who benefit by it.

This 90 percent of parity business was originally a wartime or emergency measure. It is still going on nearly 10 years after the war. It is in a fair way to wrecking the economy of the country. I am told that the storage cost alone of the enormous volume of agricultural products now gathered in warehouses in Government ownership or on Government loan is something like \$14 million a month, a half a million dollars a day, just to keep food products off the markets. If anyone can think of any better evidence of the bankruptcy of a farm program, I'd like to know.

Do not misunderstand me, Mr. Speaker. I am not interested in making a peon of the farmer. I think the farmers are now and always have been part of the bone and sinew and life blood of this Nation.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. NICHOLSON. Mr. Speaker, I yield 3 additional minutes to the gentleman from New York.

Mr. COUDERT. I certainly would be the last to withdraw farm support completely. I think something has to be done to assure to the farmer a fair return. I think the community as a whole has to keep some kind of ceiling under the operation of agriculture to make sure that the farmer will go on and food will be produced and 160 million people will eat. But I do not think any such fantastic program as is now in effect should be allowed to go forward any longer.

We have come here today to a turning point, a crossroads. The Commodity Credit Corporation is broke. It does not have any more money. It cannot pay its bills. We have to produce \$750 million through this curious device to enable it to go forward with its operations.

To be sure, the President of the United States has proposed in a message a program that will in some measure alleviate the great burden on the nonfarm population of the country and at the same time provide fair and reasonable security and protection to the farmer. Personally, I am not too sure that that program will be adopted in this Congress. If it is, it will take a long time to get action. In the meantime, here we are accumulating further surpluses, bulging the sides of the storage bins and paying out tax money for it.

I say there is only one way to stop an undesirable program and stop it in its tracks, and that is to stop the money. This we can do today by voting down the appropriation resolution. Such action will bring this incredible situation to a head and force action now. Failure to act firmly and decisively now may result in renewal of the present ruinous program.

Here is an opportunity for the Congress to take a position—a decisive position to bring this issue to a head and not to wait for the long drawn out struggle which is sure to go on with any effort to modify the farm program. If we stop this now, and if we kill this resolution now, the issue will be brought sharply to a head, and the American people will see clearly where this program has led them, and they will know what the situation is and I have no doubt they will know what to do.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman said he does not have any cows in his district. But do the people in his district eat food, and wear clothes?

Mr. COUDERT. Yes; and they pay for them twice. They pay the inflated prices created by the farm program, and they pay the taxes that are needed for the commodities which are kept off the market under the farm program. I think that is enough.

Mr. AUGUST H. ANDRESEN. I am glad that they still eat and I am glad that we have the food supplies for them so that they can eat.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. HOFFMAN of Michigan. While I agree with the gentleman as to the soundness of the principle he advocates, there are two questions I would like to ask him. The answer to one of them I guess would not make much difference: That is, the question: Who got us into this or how? But the important thing is: How we are going to get out of the situation? That is what is bothering me.

Mr. COUDERT. That is exactly why I am taking the position I am here, I am saying to the gentleman.

Mr. HOFFMAN of Michigan. I did not hear the gentleman tell us how we were going to get out of it.

Mr. COUDERT. You are not going to get out of it unless you force the issue by some dramatic action such as refusing to enact this resolution, and then something constructive will have to be done.

Mr. HOFFMAN of Michigan. Do you mean that all these farmers who were encouraged during the war to increase their production and who went into debt for farm machinery and so on—just let them hold the empty bag alone?

Mr. COUDERT. May I remind the gentleman that the war has been over for nearly 10 years.

Mr. HOFFMAN of Michigan. Yes, and the farmers still have their debts and their machinery, some purchased on installment, and their farms, some with a mortgage to secure the repayment of money borrowed to carry out an administration request.

Mr. COUDERT. I think if this resolution should be killed in this committee, there would be a fair chance of getting the President's program almost at once, and that would take care of the farmers. That is my answer to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COUDERT. Certainly.

Mr. HOFFMAN of Michigan. My farmers do not want to be taken care of. They just want to be treated fairly, that is all.

Mr. COUDERT. Does the gentleman think or take the view that the President's proposed program is not treating the farmers fairly?

Mr. HOFFMAN of Michigan. I do not know. I just know that I have at times been unable to learn just exactly what the administration wanted. I will say this to you. My farmers realize the unsoundness of this policy, but at the Government's request, they went along with the war program. Now, does the gentleman want to have them forced into bankruptcy? I do not think he does.

Mr. COUDERT. Would the gentleman from Michigan want to have the President's program go on indefinitely, unchanged?

Mr. HOFFMAN of Michigan. Of course not. Nor do I think the administration does. I am asking you. I have the utmost confidence in your ability. I am asking you what is the solution because I do not know and my farmers are asking me that vital question.

Mr. COUDERT. I thank the gentleman for the compliment. I do not know



the precise solution either, but I am sure there must be a solution, and 140 million people must also be protected.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and to include certain statements and excerpts.)

Mr. PATMAN. Mr. Speaker, several questions are involved in this particular bill which comes to us in a rather peculiar way. It is intended, according to the preceding speaker, to increase the amount that the Commodity Credit Corporation can lend on farm commodities, but it comes to us in a way of canceling lending privileges. It came from the Committee on Appropriations. This bill has not been considered by the Committee on Banking and Currency, which should be entitled to consider it, but it has not been considered by any legislative committee. There have been no hearings on the bill, so far as I can find out. We are asked to legislate in the dark. We do not know what we are doing.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman for a correction.

Mr. H. CARL ANDERSEN. All right, sir, then for a correction. There are hearings available.

Mr. PATMAN. Where are they?

Mr. H. CARL ANDERSEN. They are right there on the desk.

Mr. PATMAN. Let me see them. Let me have them.

I beg the gentleman's pardon. I had asked for a copy on Monday last, and also today, and was told they were not available. Let me ask the gentleman, then, if in the record or in the hearings these questions are answered.

Mr. H. CARL ANDERSEN. There are many questions answered.

Mr. PATMAN. I will ask the gentleman these questions. The other day the press carried an item that the United States—that is, the Department of Agriculture—allowed the banks to finance \$350 million more of its indebtedness, and that thus the Government avoids increasing its debt total, which is already crowding the legal limit of \$275 billion. In other words, the object of this is to keep the debt limit under the \$275 billion.

[From the New York Times of January 16, 1954]

TO BACK PRICE SUPPORTS—UNITED STATES TO ALLOW BANKS TO FINANCE \$350,000,000 MORE IN CROPS

WASHINGTON, January 15.—The Department of Agriculture today offered commercial banks an opportunity to finance \$350,000,000 more of Government price supports for surplus farm products. Banks may provide funds and receive certificates of interest from the Commodity Credit Corporation, the price support agency. The certificates will be backed by the surplus commodities and by the Government's guaranty against loss.

By obtaining funds in this fashion, the Government avoids increasing its debt total, which already is crowding the legal limit of \$275,000,000,000.

The department, which has nearly \$5,000,000,000 invested in farm surpluses under price support programs, already has farmed

out \$835,000,000 in price support loans to banks. The new certificates will be issued February 2; will mature August 2, and will bear interest at the annual rate of 2½ percent. Previous certificates bore interest rates as high as 2½ percent. The money obtained in this way will be used largely to finance support loans on the 1953 cotton crop.

I understood the majority leader to say on Monday that that was one of the reasons for this bill. We are not attacking the problem directly. We are attacking it indirectly. If we were to attack it directly, we would raise the question of the debt limit. This is not a bill to help the farmers. It is a bill that will reward the banks in a way that they are not entitled to be rewarded. Are we going to say that because we would raise the debt limit, that we should give the banks more Government-guaranteed paper?

#### BANKS LOANED UP NOW

The banks cannot take care of the small-business men now. They cannot take care of the local people on loans, because they are almost loaned up. They are practically loaned up now. And if you give them more paper, it will make it more difficult for local people to get local loans. And those people are the most deserving people in your communities today, and they are being denied the privilege of getting loans or even of getting consideration, because the banks are loaded down with Government-guaranteed paper. Here you are giving them more.

Why should we borrow money when we have in the banks today, according to the daily statement of the Treasury, nearly \$4 billion of additional funds? To be exact on January 21, 1954, the United States Treasury had \$3,687,443,478. On January 25 it was \$3,788,628,828.

Do the hearings before the gentleman's committee bring that out—that we have additional money in the banks to the amount of nearly \$4 billion unused? The banks are using that money. They are using it free of charge. The Government does not get any interest on it. The Government used to get 2 percent, but it does not get anything now.

Here you are proposing a bill that will cause the Government to borrow money from banks that are already loaded down with Government paper, and thereby crippling local industries and local businesses and local people in their efforts to get consideration of local loans, when we do not need the money.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman is referring to matters of policy regarding basic Commodity Credit legislation. That comes in his own committee and not in the Appropriations Committee. The gentleman ought to know that.

Mr. PATMAN. I know that.

Mr. H. CARL ANDERSEN. It is not within our purview, may I say, to bring in recommendations for basic legislative changes.

Mr. PATMAN. But this is a basic change and that is the reason the gentleman's committee should not have brought it in. It should be considered by the Banking and Currency Committee instead.

Mr. H. CARL ANDERSEN. It is up to the gentleman's own committee to bring it in.

Mr. PATMAN. It should be recommended to the Committee on Banking and Currency. That is where it should go. And adequate hearings on the matter should be held.

Mr. H. CARL ANDERSEN. Will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman is entirely incorrect when he says that this is a new procedure. We have done this very thing for 6 years past, as far as cancelling notes of the Commodity Credit Corporation is concerned. Why has not the gentleman raised the issue before this? It seems to me more or less strange that he has not.

Mr. PATMAN. There is nothing strange about it. It is strange to me that the gentleman puts himself in a position of wanting the taxpayers to pay with money borrowed from the banks, when those very banks have funds belonging to the Government that could now be used. I cannot understand why the gentleman should be taking that position. The banks already have a 200 percent bonus from the Government. One when the bank creates the money to buy the bonds of the Government and get the interest on the bonds. Next, when it keeps the money on deposit and uses it, making loans with it and drawing interest from these loans.

Under this bill one of these same banks will manufacture more money on the Government's credit and buy some of the CCC securities. The bank will receive interest on the CCC security or certificate of interest and keep the money on deposit—the Secretary of the Treasury says he should have \$9 billion in the banks. The money kept on deposit can be used by the banks to make loans and get interest on the loans. It is really a 400-percent subsidy or bonus.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield to me?

Mr. PATMAN. I will yield, briefly.

Mr. HOFFMAN of Michigan. I want to ask just two questions.

Mr. PATMAN. Two questions may take some time. May I suggest the gentleman ask just one question?

Mr. HOFFMAN of Michigan. One question first. What is this money for? What do they want to use it for?

Mr. PATMAN. They want to use it to finance the crop surplus.

Mr. HOFFMAN of Michigan. What is the gentleman going to do with his cotton in Texas if the Government does not buy it?

Mr. PATMAN. We cannot discuss each item, each commodity. We do not have the time to do that. Certainly we cannot do it in 5 minutes.

I am not saying these things to reflect on the bankers. The bankers, of course, are good people. I would not say any-



thing against them at all. They are among the finest and the best citizens in our country. And the banks have performed a great service both in time of peace and in time of war. But in the bankers' interest, they should not be allowed to do this, even though they want to do it. They should not be allowed to keep \$3,800,000,000 of the people's money, which belongs to the Treasury and at the same time compel the taxpayers to pay interest on it.

Mr. H. CARL ANDERSEN. Will the gentleman yield to me?

Mr. PATMAN. If the gentleman will grant me more time.

Mr. H. CARL ANDERSEN. I should be delighted to have the gentleman from Massachusetts [Mr. NICHOLSON] do so; I should be glad that the gentleman have whatever time he desires. But am I to understand that the gentleman, who is a member of the Committee on Banking and Currency, is coming before the House and trying to kill off price supports here today?

Mr. PATMAN. No, I am for price supports. This is bank support and I doubt many of the bankers are asking for it.

Mr. H. CARL ANDERSEN. The gentleman certainly does not show it.

Mr. PATMAN. I do not want further to subsidize the banks for the purpose of giving support to commodity loans. Now I do not think it is necessary to do that. It is unnecessary. According to the statement of the Treasury, the last statement that the gentleman received this morning, we have \$3,788,000,000 in these very banks. They will buy this paper and they will get, when you pay the going rate of interest, if we are to judge the future by the past, they will get 2½ percent on that paper that should be 1 percent. That is what you are putting out, and you are putting it out when we have in the banks nearly \$4 billion. It does not make sense. If this thing should be done it should be gone into from every angle, testimony should be had as to its effect on the national debt, and everything else.

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GEORGE. The gentleman ought not to be critical of this for I remind him that the banks are carrying over \$260 billion of obligations of his own party.

Mr. PATMAN. That, of course, is injecting a partisan question in it. This is not political; I do not look upon it as a political question at all, but if the gentleman wants to talk politics for a little bit I will take a little time when possible and talk politics.

We are not ashamed of that debt. That big debt represents something. In the war we decided that we would use money instead of men every place we could. We never sent a man into the field if we could send a piece of machinery to take his place, no matter what the machinery cost. We used money to save lives. Which would you rather have, a high national debt and a low casualty list or a high casualty list and a low national debt?

Mr. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GEORGE. Three times in my lifetime we have been led into wars when there had been absolute control by one party preceding those wars. Under those wars we had high casualty lists and we had high national debt, until it has risen to a point that it is costing us nearly \$7 billion a year in interest to carry it.

Mr. PATMAN. I cannot yield further; my time has about expired. But I will say to my distinguished friend that I have permission to revise and extend and will put further facts and figures in the RECORD.

But I want to state that the question involved here is that we are being asked to borrow hundreds of millions more directly from the banks, and those very banks have nearly \$4 billion of the Government's money in them right now. We are already paying interest on this nearly \$4 billion at 3 percent, or \$120 million a year, and here you want to go out and borrow more money from the very same banks that have our money, and pay more interest. I want you to think about that; it just does not make sense to me.

Secretary Humphrey made it clear to Members of Congress in July and August last year that the Government retains substantial deposits in all 11,000 banks where deposits are kept. One case was cited where a little bank had some \$70,000 to \$250,000 deposit, with the understanding from the Secretary of the Treasury that it would not be reduced below \$70,000.

It should be pointed out that the Treasury does not draw checks on the 11,000 banks, or any of them, to pay Government bills. When the money is needed, the banks are requested to turn a certain percentage of their deposits into the Federal Reserve bank serving the area. Then checks are given on the Federal Reserve bank. Under the Federal Reserve Act, the Federal Reserve banks are fiscal agents of the Government. When this was determined the subtreasuries then existing over the country were abolished. It was never contemplated that the Secretary of the Treasury would make deposits in local commercial banks, but it was contemplated that all money belonging to the Government would be immediately deposited with the Federal Reserve banks in the same way it had formerly been held in subtreasuries offices in various parts of the country, which were abolished in favor of the Federal Reserve banks.

The New York Times of January 26, 1954, contained the following news item concerning the call for funds by the Treasury:

#### TREASURY FUNDS

The United States Treasury issued a call yesterday for funds held in its tax and loan accounts by the Nation's larger banks. Based on balances as of last Saturday, the 6 percent call on the Class B banks requires payment on Friday. Banks in this district will provide \$37,177,000 of the national total of \$133,438,000.

I repeat, that the funds on deposit in the thousands of commercial banks in the name of the Government are not checked upon at all. They are permitted to remain there with the banks and the banks use them, while the taxpayers continue to pay interest on the funds. When the Federal Reserve Act was passed—I again repeat—it was contemplated that all funds would go directly and immediately to the Federal Reserve banks, where they could be checked upon, to pay the expenses of the Government.

#### POSTMASTER GENERAL COMMENDED

The same situation exists with the Post Office Department that exists with the Treasury. Postmaster General Summerfield is to be commended for carrying out the law and practicing economy. Under a recent order, all postal-savings money deposited with post offices goes direct to the Federal Reserve banks. The postmasters having postal-savings accounts have orders to deposit them with their nearest Federal Reserve bank. The long-standing policy of permitting postmasters to put these funds in local banks was ended with no public explanation, according to Washington Banktrends of December 14, 1953. The best reason given, according to Banktrends, is to avoid high bookkeeping costs with numerous banks. The Federal Reserve now assumes these costs as fiscal agents.

#### ARROGANCE OF SO-CALLED SUPREME COURT OF FINANCE

It is my understanding that when the officials of the Post Office Department wanted to make this very fine and money-saving change—it will save the Post Office Department at least \$2 million a year and the taxpayers a large sum in interest—the Board of Governors refused to agree to allow the 12 Federal Reserve banks to take on the work. Then the post-office officials tried to make arrangements with certain banks in each large area in the United States to carry the funds without cost to the Post Office Department. This was very unsatisfactory, for obvious reasons. Then, I am told, the Postmaster General demanded—which he had a right to do—that the Board of Governors accept the responsibility for the Federal Reserve banks and perform the service. This is just a sample of the arrogance of the so-called supreme court of finance, as represented by the Board of Governors and the Federal Reserve System. If all the laws they have violated were made known to the people—and their effects—I am sure there would be many unfavorable reactions. At the same time, if all the laws the Board of Governors of the Federal Reserve System have misinterpreted and failed to observe were disclosed, along with the cost in dollars to the American taxpayers, there would be a considerable clamor from a large percentage of our people for an investigation and a clean-up. The Board of Governors still claim that they are separate and apart from the President and under no obligation to the President. They declare that the Federal Reserve System is an independent agency and is not obligated to carry out the wishes of the President or other



agencies. All the good proposals of President Eisenhower cannot be carried into effect without the cooperation of this Government agency which claims to be out from under his control, influence, or jurisdiction.

#### MANUFACTURED MONEY

It does not seem logical that the Government will allow a local bank to create the funds on the books of the bank, or, in other words, manufacture the money, then and there, with a fountain pen, to buy a certain amount of bonds from the Government and then permit this money to remain in the bank—a substantial percentage of it indefinitely—thereby allowing the banks to use it for lending purposes and at the same time collect interest on the bonds purchased from the Government, with manufactured money.

The Secretary of the Treasury should have all funds in all 11,000 banks sent to the Federal Reserve banks immediately. There is no reason why the Treasury should carry accounts in private commercial banks, as they are not used for checking purposes. If it is necessary to help the banks in order to help them render the maximum public service, it should be done directly, or in a way that would not be so expensive to the taxpayers. Last year the 11,000 banks had on deposit \$9 billion. If the Government had collected 2 percent interest, as it always did on these balances, up to a few years ago, the Government would have collected \$180 million interest from these banks. As it was, the Government did not collect anything for this money, which was remaining idle in the banks and for which the taxpayers were paying 2 and 3 percent interest, or from \$180 million to \$270 million annually.

Mr. NICHOLSON. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Texas [Mr. PATMAN], my longtime friend, knows, of course, of my high regard for him, but on this occasion as frequently happens I cannot quite follow his devious reasoning and thinking.

It is true as came out in the exchange of ideas about the debt the other day, that there is involved here something of a problem with respect to the so-called debt limit. And, before going any further, let me say that last July the House of Representatives upon the showing made by the Treasury Department and by the executive branch met its responsibility and increased the debt limit. It is just too bad that the other body did not follow suit because it soon will be apparent that they must follow suit. It does no good to talk about the reason why that national debt had to be increased, the fact is that it was the result of the obligations that were incurred, debt that came about, and the further fact that the Federal Government cannot renege on its obligations or default on them.

Now, because of failure to increase the debt limit and to realistically meet our situation, the Treasury has had to do in many instances what they indicated they

would have to do—and it was not good business—in order to avoid going over the debt limit and creating chaos in this country. One of the things they did was to go back to an earlier procedure in the Commodity Credit Corporation and to say to the Commodity Credit Corporation, "Instead of borrowing all of your money from the United States Treasury, where you can borrow it more cheaply and it can better be handled, you go out and borrow money from private sources."

What effect did that have on the debt limit? If the money had been borrowed from the Treasury, the Treasury in turn would have had to borrow from people and increase the national debt, which would have shoved us over the limit. Now, that is how simple the matter is.

I come now to the reasoning or the argument of the gentleman from Texas. He says, why you have \$4 billion in the banks and we are paying interest on it, so why arrange to get any more money—just use that.

Does the gentleman know that the accounts of the United States Government are scattered in 11,000 banks around the country?

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. PATMAN. They do not issue checks on those 11,000 banks. They have money in every one of the 12 Federal Reserve banks and they can draw checks on that.

Mr. HALLECK. The gentleman is again trying to confuse the issue. The fact is those accounts are in these different banks. As to on just how many of the 11,000 banks checks are drawn on every day, I do not know, but by and large those accounts must be spread all over the country because in one place you have a big military installation going in and it is desirable to pay bills out of the Government account in that area for that particular installation. I suspect the gentleman from Texas would not urge that all of the Government accounts in the banks in his district be withdrawn. Of course, the argument is a specious one.

Do you know that while our friends on the right and their administration were running the Government they insisted, even in times of a lower level of national spending, that we had to have \$6 or \$7 billion with which to do the business of this great Government of ours? As Republicans we went along to increase the national debt in order that the borrowing situation of the Government might be protected.

What sort of sense is it to argue that with checking accounts all over the country and the necessity of the Government checking on those accounts to pay its bills, that we draw down to where we do not have any money in the banks? It is the most ridiculous thing I have ever heard of. Let me say that by reason of failure to increase the debt limit the Government of the United States in many ways, in order to protect its credit, has had to get money here and there, make arrangements here and there, which have cost the Government money,

Instead of it being a wise move to block the increase in the debt limit it was an unsound move.

Mr. Speaker, do you want your great Government of the United States to get down to where its reserves in the banks to meet its bills are less than a 10-day supply? That is where we have been several times.

That has not really anything to do with this particular matter except, as I indicated the other day, the House of Representatives cannot afford by anything it does to create any suspicion as to the ability of the Commodity Credit Corporation to meet its obligations, or the willingness of the Congress of the United States to stand back of the obligations that our Government, either directly or through its agencies, has taken upon itself.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, with reference to being down to where you cannot pay your obligations, the Treasury has the power now to get direct loans from the Federal Reserve bank. And, there is \$5 billion unused. So, even if it is broke, it has that \$5 billion. May I correct the gentleman that the Treasury does not draw on these 11,000 banks, on your bank or my bank, for any of that money, not one penny. The nine subtreasuries were abolished in 1913 and the Federal Reserve banks made the fiscal agent of the Government. All of this money has got to go into the Federal Reserve System and the checks are drawn on the Federal Reserve System, and the money in the commercial banks can be sent there overnight. So the gentleman is in error when he says that they make checks on the local banks to pay local labor and local service.

Mr. HALLECK. As I think I said one time before in sort of a friendly colloquy with my friend from Texas, that at the University of Indiana, where I majored in economics, I took a course in banking and currency; and the more I studied about money the more I became convinced that I did not qualify as an expert. I have never sought to qualify as an expert, but I say when you draw the account of the Government down to the point where you have less than a 10-day supply, you are getting reckless with the affairs of the Government.

No one here would suggest that any business operation in the country be run on any such margin as that, and we have no right to expect it of our Government.

May I say at this point that a great many of the Members on the Democratic side realize, as we realized when we were in the minority, the necessities of the situation and moved with us to meet what was before us. And, I commend those Members over there for it.

Now then, to get back to what is before us, this bill follows the usual pattern. The Commodity Credit Corporation, created by the Congress, with a lending capacity of \$6,750,000,000, is confronted with an impairment of capital for which we are responsible. It involves a loss of the Corporation. Now all the Committee on Appropriations is doing is to replenish the coffers of the Commodity Credit Corporation to the ex-



tent that those coffers have been impaired. We simply meet our obligations, and without regard to what you think about the farm program, it is an obligation that we must meet, and so I trust that we will support this rule and go on to the business of consideration of the measure itself.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman recognizes the fact, I am sure, that this obligation comes as a result of operations from July 1, 1915, through June 30, 1953; in other words, both sides of the House, if the responsibility is to be laid on anyone's door, are equally responsible for, you might say, half of this obligation of \$6 billion appraised loss.

Mr. HALLECK. May I say to the gentleman that the basic farm law under which we are presently operating is a bipartisan measure. We enacted farm legislation in the Republican 80th Congress. Then in the Democratic 81st Congress there were certain revisions made, so that what we have now is a kind of fusion of the 1948 act and the 1949 act.

Beyond all of that, the measure was supported by Members on both sides, and may I say to my friend from New York not only by Members from so-called rural districts but by Members from city districts. I can well recall the speeches of our late friend, Judge Sabath, of Illinois, representing a Chicago district, who pointed out time and again that he wanted to go along with the farm programs. So they have been bipartisan. I think during the war when the 90 percent was arranged for most of us voted for it. I voted for it.

There is one thing I want to say here further as we approach this particular program and as we approach the whole problem of the farm program. So far as I know, no responsible people are saying that overnight there shall be a radical, complete change from this to that, or that the rug is to be pulled out from under agriculture. No one proposes that. The President has not proposed it. The Committee on Agriculture would not take such an action. But again, may I point out, as I pointed out when we were increasing the acreage on cotton over the formula provided for in existing law, and as we might have pointed out when we increased the acreage of wheat over the formula provided by existing law, that the very fact that we are here replenishing the capital of the Commodity Credit Corporation ought to be evidence to us that everything is not just perfect, that possibly the time has come to recognize that certain weaknesses and certain difficulties are making themselves evident, and, recognizing them, that we begin to pay some attention to at least a beginning of such action as would seek to initiate at least some effort, some realistic approach to meet those weaknesses and difficulties and to deal with them.

Mr. COUDERT. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. COUDERT. There has been so much discussion in the last few minutes about the impact of this matter on the debt limit that I am afraid one essential fact might be lost sight of in the debate. Is it not a fact that the approximately \$750 million carried in this resolution has the effect of increasing the available funds of the Commodity Credit Corporation for the purpose of supporting the agriculture of the country?

Mr. HALLECK. That is absolutely correct. If I understand the situation, and I believe I do, the Commodity Credit Corporation is running out of funds to carry on the support-price program the Congress of the United States voted. Insofar as that is true, then certainly we have an obligation which we must meet. In my book, it becomes doubly important that we meet it because of these other considerations that are involved.

May I say again that sooner or later we will be asked to vote a very substantial increase in the capital, the lending power, of the Commodity Credit Corporation. That is because it is expected that more of the surplus commodities will have to be taken over by the Commodity Credit Corporation.

As I say, we voted for it. We have to meet that responsibility. But again may I say it is time for us to stop, look, and listen, and fundamentally to deal with the realities of this situation because, may I say, and I have been reading it in the papers and hearing it in the corridors, there is no question but that many of our Members who have been willing, yes, who wanted to go along with a sound farm program, recognizing that agriculture is entitled to its fair share, are beginning now to have hard questions put to them. They want us to help them find the answers. I think they want to stay with us in building a sound farm program and continuing a sound farm program and maintaining it; but at the same time I think there are a few danger signals around to which we should be paying attention.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, the distinguished majority leader mentioned that in the near future a request would come up for a substantial increase in the borrowing limit of the Commodity Credit Corporation. I have asked for this time so that I may inquire why that procedure was not used in connection with this particular amount of money.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. BOLLING. I yield.

Mr. H. CARL ANDERSEN. We were informed that that procedure which has already by the way been started in the other body, sir, would take too long and we cannot afford to close off loans relative to the Commodity Credit Corporation as of this date because of no money being available. The other procedure would require at least 1 month's time, and in the opinion of the Department of Agriculture it would be poor business to say that the Commodity Credit Corpo-

ration during that length of time can do no further business.

Mr. BOLLING. That answer leads me to my next question. I cannot understand how in the management of a program of this scope what I read in the press the other day could be accurate. I read in the press that testimony had been given that there was in the Commodity Credit Corporation adequate borrowing authority for only a few days more operation. Now the question that occurs to me is, How could the Commodity Credit Corporation and the Eisenhower administration in the operation of so vast and so important a program be guilty of such bad management that they find themselves confronted with only 3 or 4 days of money with which to carry on this program, which we all recognize is extremely important to the farmers?

Mr. H. CARL ANDERSEN. I regret that the Commodity Credit officials come to us so late as to the need for this action.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

Mr. NICHOLSON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, when I moved on Monday to cause this bill to be deferred until today, I did it because I believed the time had come—and, indeed, was overdue—for the city consumer to have an impact upon the farm policy. I have thought that for a long time. Representatives from city districts are beginning to wake up because their people are beginning to wake up and let me assure you that their people will wake up more and more.

Now there are tremendous contradictions in this whole governmental farm price support program. Among them are, first, the fact that the farmers' net income has been falling and falling very seriously. It is down, I believe, by about 15 percent from 1951. Representatives from farm areas, perhaps, ought to examine their own philosophy right here in this House to decide whether they are backing the right policies. Apparently they are neither satisfying the city consumer nor are the figures satisfying the farmer himself.

Second, farm commodity surpluses have been growing inordinately. The President spoke of them in his message. There is a year's domestic supply of wheat on hand. There is a year's domestic supply of cotton on hand and enormous supplies of cottonseed oil. There are close to 300 million pounds of spoilable butter involving \$200 million of Government outlay. There are \$500,000 a day in storage charges for the surplus the Government holds. There is a \$2 billion carryover from the last crop year of price supported farm product surplus, and \$2½ billion more in this crop year, making a total of over \$5 billion. This cannot go on.

Third, the farmers' export markets are drying up. The farmer generally contributed 25 percent to American exports in years gone by. What has happened to that? Overall farm exports are down in 1952-53 about 30 percent from 1951-52 alone—cotton export is down about 50 percent; fats and oils,



about the same or more; tobacco, 13 percent on top of a reduction of 25 percent in 1951-52; eggs and egg products are down heavily, too, in both years.

Everywhere we look there are contradictions. Everywhere we look this picture shows the mischief being done by the present high fixed farm price parity program.

A question was asked by my colleague, the gentleman from New York [Mr. COUDERT]: "What should we do about it?" I should like to answer that by suggesting what, representing city consumers, I think we should do about it.

One, we should adopt the President's flexible farm price parity program, because it will result in causing production to go into other items of farm products conditioned by demand and not what the farmer, often though the tendency to continue and not to change, chooses to produce or what this House by legislation apparently thinks he ought to produce.

Apparently, the farmer is producing too much wheat and too much cotton and too much cottonseed oil, butter, and other things. But a program of adaptation to consumer demand does not mean that he has to let his land lie fallow. There is an enormous demand in our country, I understand, for various kinds of dairy products.

Butter is now around 80 to 90 cents a pound in the retail store. What law of nature says that it should not be 50 cents if it will then move into consumption? It is a fact that in the last 12 years, since 1941, the consumption of butter has fallen off by 50 percent in this country—from 1,872,000,000 pounds in 1941 to 1,206,000,000 pounds in 1952, despite a rise of 23 million in population. What a contradiction. Three hundred million pounds of butter in Government warehouses and consumption has fallen 50 percent in a little over a decade. Why? Not because my constituents, who earn on the average \$3 or \$4 thousand a year do not want butter or would prefer something else. It is because they cannot afford it under the over-all cost of living.

Mr. H. CARL ANDERSEN. Mr. Speaker, would the gentleman yield?

Mr. JAVITS. I yield to the gentleman.

Mr. H. CARL ANDERSEN. The gentleman, of course, knows how this Congress unwisely voted to take the tax off oleo, which put butter in the position to which he has referred.

Mr. JAVITS. I am sorry to differ with the gentleman. My constituents will use more butter and will also use oleo. The standard of living even in this country still has a long way to go. Even 300 million pounds is only 25 percent of 1 year's butter consumption.

We should adopt the President's program of flexible farm price parity support program which would in some way condition farm production by demand.

Second. Those in this House who represent the farm areas ought to be for a liberal export and import trade policy. It seems to me Members can hardly be for the farmer and against a liberal

trade policy. That is an innate contradiction in everything that the farmer interests represent, would seem to represent. This goes for his own need for farm exports and for his need for a prosperous industrial community of consumers.

Third. Insofar as free world development is concerned in terms of the struggle against communism, food is a vitally important element in raising the standard of living. Right now it is critically important in this conflict, until other free peoples through technical assistance, private overseas investment, and various other means can come to a higher subsistence level themselves, that on a much greater scale, surplus food which is in store and which can be produced by the American farmer should be used for improving living standards. This is essentially a job which can make our farm production a heavy factor in winning decisively over communism.

This is a three-point program and need only be concerned with the near term. For the farmer's position is perfectly sound for the long term. As our population rises, we will be something like 25 percent to one-third short in the production of food by the end of this century, so that in the long term the farmer needs to produce more.

What is squeezing the farmer and the city consumer is the present governmental policy of high fixed farm price supports which we must change, because it has stratified the whole production picture without meeting the march of farm technology or consumer demand and created all this mischief.

I have studied the figures carefully and I believe that out of the \$72 billion food bill of the American people, they are overpaying about \$3½ billion to \$7 billion for what they get. But they ought to spend that \$3½ to \$7 billion for more food. This will be important in the matter of what farm products are produced and important for the benefit of the country.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. H. CARL ANDERSEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 358, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule there are 2 hours of general debate, 1 will be controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and

the other by the gentleman from Mississippi [Mr. WHITTEN].

The Chair recognizes the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself such time as I may require.

(Mr. H. CARL ANDERSEN asked for and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, frankly, I am at a loss to understand how these gentlemen whose constituents must depend on agriculture for their food can rise here and try to kill the Commodity Credit Corporation's effectiveness when because of an emergency we must restore its capital structure today. The gentlemen from New York City represent people who can buy more food today per wage-hour than they could back in 1939; they can buy more butter, bread, more of everything they use in quantity for an hour's wage than they could in 1939. What have they got to kick about? I feel they are very fortunate in having available an ample supply of food at reasonable prices.

Facts and figures which came to me from the Commodity Credit Corporation yesterday show that of the losses which have actually been sustained to last June 30 only \$782,327,808 can be charged to the price-support program. Yes, there was an additional \$2,101,987,000, a strictly wartime consumers' subsidy, given for the benefit of such folks as the constituents of the gentleman from New York [Mr. JAVITS], and these other gentlemen who protest today so loudly. This price-support program is very important. It affects the basic economy of America. Where would we have been the last 18 years had it not been for the price-support program? Even if we charge the \$609 million in addition to the \$1,110,000,000 cost as of June 30, 1953, we still have only \$1,800,000,000 in cost, or only a little over \$100 million a year since the inception of the program back in 1935. Is that a prohibitive price to pay for maintaining the agricultural prosperity of America? I think there are some Members here who should reorient their line of thinking and consider whether or not they want to take the responsibility for irreparably damaging the economy of the United States by insisting on curtailing the operations of the Commodity Credit Corporation. What would the corn back on my farm in Minnesota have been worth last fall had it not been for the 90 percent support figure provided? Do you think that the millions of bushels of corn raised by farmers like me would have brought \$1.50 per bushel in the open market these gentlemen advocate? No; we would have been lucky in that case if we got 75 cents a bushel. This would have meant the loss to agriculture in the corn crop alone this year of \$2 billion. You can well see why we cannot afford to tamper with price supports.

This is a serious problem. Mr. Chairman, we are dealing with the foundation of the Nation's economy, and do not forget it.



Several Members have made statements which make it clear that they do not understand the facts. All we are doing here is simply enacting legislation restoring the impairment of the capital of the Commodity Credit Corporation, restoring to that Corporation the money lost through the period July 1, 1952, to June 30, 1953, because of declining farm price levels. The only thing we are doing here today that is unusual is that we have brought this item to the floor 4 months prior to reporting the agricultural appropriation bill. We are only meeting an emergency.

At this point in my remarks, Mr. Chairman, I wish to insert data which will serve to clear up any question as to just what is involved here:

**METHOD USED IN APPRAISAL OF CCC ASSETS AND LIABILITIES AS OF JUNE 30 EACH YEAR**

The act of March 8, 1938, requires an annual appraisal of the assets and liabilities of the Commodity Credit Corporation and prescribes the method as follows:

1. The appraisal shall be made by the Secretary of the Treasury.

2. The appraisal shall be as of June 30 each year and shall be completed as soon as possible thereafter and the results reported to the President.

3. The value of CCC assets shall be determined on the basis of cost to the CCC or, insofar as practicable, the average market price in the month of June, whichever is the lower.

The statute requires that the Secretary of the Treasury shall restore any impairment to the capital of the Commodity Credit Corporation disclosed by the appraisal, and authorizes annual appropriations therefor. In the event the appraisal indicates the Corporation had a surplus as of June 30 of any year, the law requires such surplus to be deposited in the Treasury.

The Secretary of the Treasury appoints an appraisal committee to perform the appraisal each year. This committee was comprised of the following individuals for the appraisal as of June 30, 1953:

E. F. Bartelt, fiscal Assistant Secretary of the Treasury, chairman.

R. W. Maxwell, Commissioner of Accounts, Treasury Department.

Nathaniel Royall, Controller, Reconstruction Finance Corporation.

J. C. Cooper, Jr., Deputy Director, Office of Budget and Finance, United States Department of Agriculture.

This committee conducts a detailed appraisal of all of the Corporation's assets and liabilities and arrives at an adjusted book value of assets in accordance with the method prescribed by the act of March 8, 1938. The adjustments made on the basis of this appraisal are reflected in an adjusted net worth figure for the Corporation as of June 30. The deficit as of June 30, 1953, as shown by the books of the Corporation was \$737,534,573.85. This amount included \$96,205,161, representing the deficit determined by the June 30, 1952, appraisal, which was restored in accordance with the 1954 appropriation act for the Department in July 1953. Thus the portion of the deficit which was applicable to the fiscal year 1953 was \$641,329,413. The adjustments made by the Treasury Appraisal Committee reduced this deficit by \$31,398,480 to the amount of \$609,930,933. The difference of \$31,398,480 results from the fact that the appraisal must be made as prescribed by law, and hence cannot give recognition to

considerations other than prices. On the other hand, the Corporation, in establishing valuation reserves, takes into consideration prospective sales outlets, price-support levels, and current market prices. Therefore, differences will always occur between appraised values and the Corporation's carrying values.

**ANALYSIS OF CCC CAPITAL IMPAIRMENT AS OF JUNE 30, 1953**

The capital impairment of \$609,930,933 as of June 30, 1953 as determined by the Treasury Appraisal Committee is made up of the following items:

Net realized losses on CCC price-support program during the fiscal year 1953 (largely losses on disposals of commodities during the fiscal year) ----- \$61,146,358

Net realized gain on other CCC programs during the fiscal year 1953 (storage facilities program, supply and foreign-purchase program, etc) ----- <sup>1</sup>1,702,508

Net excess of operating expenses and interest costs over interest and other operating income (applicable to all programs) during the fiscal year 1953 ----- 54,839,212

Increase during the fiscal year 1953 in the estimated loss to be sustained on assets (largely estimated loss on inventories and loans) ----- 495,647,871

Capital impairment as of June 30, 1953 ----- 609,930,933

<sup>1</sup> Gain—deduct

The first three items listed are applicable to actual transactions in the fiscal year 1953, although, of course, the loans and inventories involved were acquired both prior to and during that fiscal year. The last item represents the Treasury appraisers' estimate, based on the method prescribed by the act of March 8, 1938, of the increase during the fiscal year 1953 in the estimated loss on assets still on hand. These assets, largely loans and inventories, were not all acquired in the fiscal year 1953, and will be disposed of in subsequent fiscal years.

The attached statement shows by commodities and by program, an analysis of the total impairment of \$609,930,933.

It indicates that \$554,561,064 of the impairment is applicable to the price-support program. Wheat, corn, and dairy products are the commodities on which the larger losses are anticipated.

There is attached a statement of the realized gains and losses on CCC programs which shows the realized results for each commodity in the fiscal year 1953.

**UNITED STATES DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION.**

*Analysis of capital impairment per Treasury appraisal as of June 30, 1953*

**Losses:**

**Price-support program:**

Basic commodities:	Detail
Corn-----	\$126,680,756
Cotton, upland-----	2,301,211
Peanuts-----	8,135,584
Rice-----	69,344
Tobacco-----	3,711,676
Wheat-----	191,359,846

Total, basic commodities----- 332,258,417

**Losses—Continued**

**Designated nonbasic commodities:**

	Detail
Butter-----	\$71,497,512
Cheese-----	28,157,789
Milk, dried-----	56,067,409
Honey-----	<sup>1</sup> 4,924
Potatoes, Irish-----	73,650
Tung oil-----	451
Wool-----	15,289

Total, designated nonbasic commodities----- 155,807,184

**Other nonbasic commodities:**

Barley-----	912,248
Beans, dry edible-----	6,053,268
Cotton, American-Egyptian-----	<sup>1</sup> 294,665
Cottonseed products-----	38,479,026
Eggs-----	29,346
Flaxseed and linseed oil:	
Flaxseed-----	2,969,566
Linseed oil-----	4,915,754
Grain sorghum-----	<sup>1</sup> 874,126
Naval stores-----	287,771
Oats-----	3,053,935
Olive oil-----	<sup>1</sup> 64,117
Peas-----	31
Rye-----	54,866
Seeds-----	10,655,140
Soybeans-----	317,420

Total, other nonbasic commodities----- 66,495,463

Total, price-support program----- 554,561,064

**Other programs:**

Subsidy program-----	<sup>1</sup> 74,623
Supply program-----	<sup>1</sup> 1,762,696
Foreign purchase program-----	2,617
Storage facilities program-----	<sup>1</sup> 121,488
Accounts and notes receivable-----	2,486,847

Total, other programs----- 530,657

**Income and expense:**

**Income:**

Interest on loans-----	9,929,444
Miscellaneous interest income-----	6,283,930
Miscellaneous operating income-----	226,876
Total income-----	16,440,250

**Expense:**

Interest expense-----	48,479,957
General overhead expense-----	22,743,221
Other expense-----	56,284

Total expense----- 71,279,462

Excess of expense over income----- 54,839,212

Capital impairment per Treasury appraisal as of June 30, 1953----- 609,930,933

<sup>1</sup> Denotes profit.



## SCHEDULE 8

Analysis of program results from Oct. 17, 1953, through June 30, 1953<sup>1</sup> (realized gains and losses)

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—							Oct. 17, 1933, through June 30, 1953
			1947	1948	1949	1950	1951	1952	1953	
Price support program: <sup>1</sup>										
Basic commodities:										
Corn	\$20,078,488	\$14,336,569	\$278,492	\$27,030	\$66,187	\$17,189,119	\$748,839	\$1,783,916	\$20,526,523	\$70,910,347
Cotton	27,401,798	218,328,306	46,536,525	344,914	1,023,816	3,419,604	28,938,218	148,924	381,572	268,219,477
Cotton, Puerto Rican		126,011	4,187							130,198
Cotton, export differential <sup>2</sup>		27,651,360	13,735,415	25,557						41,361,218
Cotton, rubber barter		11,055,451								11,055,451
Peanuts			727,481	2,757,330	23,794,910	40,592,601	14,584,837	8,670,873	2,975,881	92,648,951
Rice					1,786	1,293,780	53,071	57,271	277,861	1,459,511
Tobacco	2,107,589	7,074,300	7,437	59,800	115,524	195,495	71,450	1,014,923	2,759,676	1,641,818
Wheat	6,199,460	11,775,173	605,569	11,727	3,740,046	28,384,123	19,013,932	7,722,262	18,886,296	95,127,450
Total	55,787,335	182,568,944	34,415,902	3,055,644	28,507,649	83,844,524	5,284,869	15,417,947	45,807,809	20,720,931
Designated nonbasic commodities:										
Milk and butterfat:										
Butter						4,111,861	44,216,443	41,571	456,492	48,743,225
Cheese						1,031,078	24,040,464	31,405	14,708	25,025,429
Milk, dried			12,487	415,987	149,335	14,619,145	42,707,738	1,183,459	4,798,735	62,756,242
Honey				404,056	470,414		1,499	107	4,924	870,938
Potatoes, Irish <sup>4</sup>		25,197,222	262,920,977	47,405,542	203,886,603	75,090,315	63,437,281	85,459	73,658	478,097,057
Tung oil				4,747	306,844	30	233,811	1,154	451	79,355
Wool	176	15,834,163 <sup>2</sup>	33,484,669	19,501,357	12,707,148	10,755,942	142,596	86,610	15,290	92,242,759
Total	176	41,031,385	96,418,133	66,899,715	217,221,674	105,608,311	174,027,018	1,283,599	5,324,994	707,815,005
Other nonbasic commodities:										
Barley		40,019	50,550	275	672,499	2,608,939	1,790,903	2,807,078	2,195,112	10,063,725
Beans, dry edible		179,753	155	10	3,988	880,329	11,746,232	15,429,183	6,777,410	35,008,754
Castor beans		171,224		31						171,193
Cotton, American-Egyptian		538,573	37,023	6,577	2		14,353	175,206	294,665	10,746
Cottonseed and products						597,728	5,506,631	2,686,612	7,701,799	15,297,314
Eggs <sup>5</sup>		224,002	11,532,784	25,879,017	773,476	41,622,784	76,055,947	29,368,028	4,256,139	189,712,177
Flax fiber			6,100	179,852	155,842	67,464	55			397,113
Flaxseed and linseed oil		22,209	2,727	40,293	1,163,915	3,765,056	57,520,995	4,683,190	1,422,997	66,207,512
Fruit, dried		109,489		15,563,385	445,757	299,337	46,315	855		14,882,320
Grain sorghum		437,456	10,141	18	3,590,174	10,514,934	22,644,554	31,638	874,126	35,396,319
Grapefruit juice				1,732,374						1,732,374
Hemp and hemp fiber		20,201,375	1,257,169	7,702	8,946	98	21	1,778		21,459,155
Hops	162,036	792,164								954,200
Naval stores	4,435,579	5,997,861	460	107,063	420,567	449,795	1,974,111	3,876	30,253	1,355,585
Oats			3,056	287	45,714	413,295	15,238	738,889	194,938	1,374,255
Olive oil										170
Peas, dry, edible		3,012	648		140	658,800	227,726	655	31	889,436
Pecans		3,751								3,751
Rye	4,575	60,751	14,932		2,186	223,210	34,759	18,599	7,947	162,501
Seeds		148,193	18,660	13,731	364,337	74,026	295,452	537,879	4,050,655	4,874,709
Soybeans			2,741,090	4,987	26,054	1,754,206	139,442	1,574	24,893	4,363,576
Sugar, Puerto Rican and Virgin Island				23,830						23,830
Sugar beets				11,859,187	4,658,082					16,517,269
Sweetpotatoes			95	138,181	1,985	1,453	773			135,421
Turkeys				3,708	495	44,468	29,185			11,070
Vegetables, canned		6,888	12,631	6,281	82					11,942
Total	4,602,190	15,944,584	9,892,605	55,401,647	9,032,671	59,777,004	166,286,667	50,650,030	10,013,555	381,600,953
Total price support	60,389,701	125,592,975	71,894,836	125,357,006	254,761,994	249,229,839	345,598,554	67,351,576	61,146,358	1,110,136,889
Supply program: <sup>1,6</sup>										
Cotton and lint		1,592,551	24,865	245,904	12,879					1,876,199
Grains and seeds		23,969,000	23,792,977	19,094,280	4,548,038	2,981,607	722,558	437,204	405,837	75,951,501
Oils (bulk)		29,937	67,620	107,442	291,296	363,692	42,136	6,020	9,194	917,337
Tobacco		4,179,335	588,749							4,768,084
General commodities purchase <sup>7</sup>			176,701,759	11,127,662	342,973	1,246,411	1,551,484	195,564	1,314,667	185,807,656
Processed and packaged commodities <sup>8</sup>			26,438,161	10,517,533	1,092,093	752,611	118,459	162,193	23,559	39,104,609
Sugar, Puerto Rican raw						37,157	567		9,439	46,029
Other		3,120,517	420,893	494,691	368,475	2,041	3,185			3,414,050
Total supply program		26,650,306	227,193,238	41,587,512	5,232,858	2,886,615	665,713	409,853	1,762,696	305,057,365
Foreign purchase program: <sup>6,9</sup>										
Cotton		5,439,464	457,029	758			2,617	2,617		5,895,735
Fats and oils		22,543,441	17,955,560	1,491,644	53,306	1,524	37,417	2,550		38,915,608
Foodstuffs		4,620,232	2,441,131	1,555,187	102,305	47,482	17,755	9,770	2,616	5,680,872
Other		274,627	18,102	3,089			24,318	53,378		175,740
Total foreign purchase		32,328,510	20,871,822	3,044,500	48,999	49,006	7,273	57,981	2,616	50,316,475
Commodity export program:										
Cotton <sup>10</sup>		7,098,694	5,490,500	8,120	60,632	1,753	3,729	1,494		12,537,164
Wheat		1,209,445	618							1,210,063
Total commodity export		8,308,139	5,491,118	8,120	60,632	1,753	3,729	1,494		13,747,227

Footnotes at end of table.



## SCHEDULE 8

Analysis of program results from Oct. 17, 1953, through June 30, 1953<sup>1</sup> (realized gains and losses)—Continued

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—							Oct. 17, 1933, through June 30, 1953
			1947	1948	1949	1950	1951	1952	1953	
Storage facilities program		<sup>2</sup> \$10,087,438	\$721,069	<sup>2</sup> \$133,209	<sup>2</sup> \$438,460	<sup>2</sup> \$91,959	<sup>2</sup> \$498,980	<sup>2</sup> \$1,628,947	\$121,488	<sup>2</sup> \$12,036,436
Accounts and notes receivable (chargeoffs)		11,134	<sup>2</sup> 556,732	<sup>2</sup> 106,602	<sup>2</sup> 138,717	<sup>2</sup> 86,113	<sup>2</sup> 454,137	<sup>2</sup> 196,247	<sup>2</sup> 253,682	<sup>2</sup> 1,781,096
Total (excluding wartime consumer subsidy costs) <sup>11</sup>	<sup>2</sup> \$60,389,701	166,187,348	170,843,443	<sup>2</sup> 87,061,925	<sup>2</sup> 249,996,682	<sup>2</sup> 246,470,537	<sup>2</sup> 347,213,840	<sup>2</sup> 68,707,442	<sup>2</sup> 59,518,472	<sup>2</sup> 782,327,808
Wartime consumer subsidy program <sup>12</sup>	<sup>2</sup> 2,130,581,589	22,364,160	4,025,128	<sup>2</sup> 2,235,782	<sup>2</sup> 113,351	<sup>2</sup> 258,372	<sup>2</sup> 266,423	<sup>2</sup> 74,623	<sup>2</sup> 2,101,987,196	<sup>2</sup> 2,101,987,196
Grand total	<sup>2</sup> 60,389,701	<sup>2</sup> 1,964,394,241	193,207,603	<sup>2</sup> 83,036,797	<sup>2</sup> 247,760,900	<sup>2</sup> 246,583,888	<sup>2</sup> 347,472,212	<sup>2</sup> 68,441,019	<sup>2</sup> 59,443,849	<sup>2</sup> 2,884,315,004

<sup>1</sup> Allocation of losses and gains as between "Price support program" and "Supply program" for the period prior to the fiscal year 1947 was made on the basis of an analysis completed in April 1949. Since accounting records maintained prior to July 1, 1946, did not provide for this segregation, it was necessary to analyze program results in detail and in some cases make an estimate of the distribution between "Price support" and "Supply" of the total operating result as shown by the accounting records. This analysis was based on all known factors concerning the operations with respect to each commodity.

<sup>2</sup> Denotes loss.

<sup>3</sup> Includes export differential on owned or pooled cotton only. Differential on exporters' cotton included under "commodity export program."

<sup>4</sup> Includes price support loss of \$2,829,639 on the 1943 and 1944 potato programs, which was formerly included under the general commodities purchase program.

<sup>5</sup> Includes price support loss of \$11,956,386 on the 1944 egg program, which was formerly included under the general commodities purchase program.

<sup>6</sup> Portion of overall supply and foreign purchase program effective July 1, 1952.

<sup>7</sup> Includes gain of \$178,697,602 carried as "Special reserve—general commodities

purchase program" as of June 30, 1946, and transferred to income in May 1947. Also see footnotes 4 and 5.

<sup>8</sup> During the period July 1, 1946, through June 30, 1949, activity under this program was reported as general supply program.

<sup>9</sup> Insofar as possible, operating results have been retroactively classified to correspond with current budgetary programs. In some instances, the accounts maintained prior to July 1, 1946, did not make possible a precise segregation of the results of foreign procurement operations.

<sup>10</sup> Includes export differential on exporters' cotton only.

<sup>11</sup> Includes losses totaling \$56,239,432 on price-support commodities disposed of in accordance with Public Laws 389 and 393, 80th Cong., i. e., transferred to foreign assistance outlets at a price equal to price of a quantity of wheat having equivalent caloric value. The Corporation was reimbursed for these losses by the Secretary of the Treasury.

<sup>12</sup> Subsidy losses on corn for alcohol, wheat for alcohol, and wheat for feed are included on an estimated basis. For detail of subsidy costs by commodities by fiscal years, see Report of Financial Condition and Operations as of June 30, 1949.

Figures before me show that of the \$609 million appraised loss, actually only \$137 million was lost as of July 1, 1953. The \$496 million takes into account the lowering of the inventory of the tremendous stocks on hand held by the Commodity Credit Corporation today. In other words, we are anticipating here and we are charging against 1952 and 1953 a great loss which may or may not occur, Mr. Chairman, but it is necessary under the basic law to inventory these stocks just as a bank would inventory the holdings of any corporation when making a loan.

Let us not get off on a tangent. Let us pass this very simple legislation and not get off our course discussing some other plan or procedure. This is an urgent matter.

Mr. Chairman, if there are any questions I will be glad to reply, but please let us keep to the subject at hand and make these funds available to the Commodity Credit Corporation as we have done for the last 7 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Following up the remarks of the gentleman from New York [Mr. JAVITS], if my memory serves me correctly, a subcommittee of the House Committee on Agriculture made a trip to New York a couple of years ago and carried on an investigation of food prices in New York and, if my memory serves me correctly again, that committee came back to the House and reported that some items of food doubled in price crossing the Hudson River.

Mr. H. CARL ANDERSEN. Yes. The gentleman is absolutely correct.

Mr. GROSS. Can that be charged to the farmers of Iowa or Minnesota?

Mr. H. CARL ANDERSEN. Not only that, but fruit from California doubled in price from the time of entering the Holland Tunnel until it got to the actual consumer. There is where the gentle-

men from New York [Mr. JAVITS and Mr. COUDERT], should be concentrating their attention. They will be well occupied if they investigate what causes that spread. The gentleman from Iowa is absolutely right.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. COUDERT. Along the lines of the inquiry started by my good friend from Iowa, can the gentleman state what the cost of the support program has been for the current fiscal year?

Mr. H. CARL ANDERSEN. Nobody will know until the Treasury makes its appraisal next June.

Mr. COUDERT. What was the cost for the fiscal year 1953?

Mr. H. CARL ANDERSEN. The cost for fiscal 1953 is the amount, according to the Treasury, that we have before us, \$609 million.

Mr. COUDERT. What was the amount lent by the Corporation, expended and put out by the Corporation, in 1953 for price-support-program purposes?

Mr. H. CARL ANDERSEN. The amount loaned or committed by the Corporation on the 20th of January was within \$16 million of its total lending power, \$6,750,000,000. I am speaking of commitments also.

Mr. COUDERT. In commitments alone there are outstanding \$6,750,000,000.

Mr. H. CARL ANDERSEN. That is correct, if you assume responsibility for all the private money in this particular program.

Mr. COUDERT. Does the gentleman realize that the citizens of the State of New York to whom my good friend from Iowa referred pay 14 percent of the Federal taxes, and that, therefore, they are responsible for 14 percent of the total cost of this program?

Mr. H. CARL ANDERSEN. The gentleman should realize that if it was not

for this program, the people of New York would go hungry.

Mr. COUDERT. No; I do not realize that.

Mr. H. CARL ANDERSEN. If you want the people of New York to go hungry, go ahead and oppose legislation of this character.

Mr. COUDERT. Let me call the attention of the gentleman to the fact that the people of New York have been going on for the last several hundred years; they have not gone hungry yet, and they are not going to go hungry just because the farmers do not get 90 percent of parity. The people are going to go on growing food and the people of New York are going to be fed. That is something I have no doubt about.

Mr. H. CARL ANDERSEN. As much as I respect the gentleman from New York, I cannot agree with him on this basic problem.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, does the gentleman mean to say there are no hungry people in the city of New York?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I believe I can tell the gentleman from New York [Mr. COUDERT] where the money goes that the housewife in New York as well as elsewhere pays for food. I would say this to him, and this was several years ago when the farm prices were away above 100 percent of parity, that when the housewife in New York City or any other city purchased a loaf of bread with 20 slices in it, 2 slices of that loaf of bread, the cost of it, went to the farmer, and 18 slices went somewhere else. I would like to know how many of his constituents in the State of New York who are not farmers got the remaining 18 slices.

Mr. H. CARL ANDERSEN. That is a very pertinent question.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?



Mr. H. CARL ANDERSEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I was just going to say to the gentleman from New York that I have always understood that New York City had a great interest in the financial structure of this country, and we are dealing today with an item, with a commodity, that has a great deal to do with the financial structure of this country. I am wondering if the gentleman from New York under those circumstances could afford to impair the security of this country by failing to support this program.

Mr. H. CARL ANDERSEN. I am sure the gentleman from New York would answer "No" to that question.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. JAVITS. Of course, the country is interdependent. The farmer borrows money from the banks which have headquarters in New York, and he needs materials that he gets from New York. What we are talking about is how fairly the interdependence operates. I would like to ask the gentleman this question.

Mr. H. CARL ANDERSEN. Before the gentleman asks me his question, may I say this, that if all of the ladies and gentlemen of this House who voted against Mr. PASSMAN's motion to recommit when we tried to save \$12 million last July 31 on the foreign aid bill; I repeat, if those ladies and gentlemen who insisted on \$4.5 billion going abroad in one 12-month period are willing to give the farmers of our own Nation just one-seventh of that much, they will come down here and vote unanimously for this emergency measure.

Mr. JAVITS. I am one of those who voted for it.

Mr. H. CARL ANDERSEN. I know the gentleman did.

Mr. JAVITS. The farmer, in common with the city dweller, needs security and peace in the world. We must strike for a reasonable balance between foreign policy, the interests of the farmer at home, and the interests of the consumer, too. I try very hard to strike this balance.

Mr. H. CARL ANDERSEN. Does my friend not feel that he should reorient his line of thinking? Too many of us are overly generous to foreign nations but when it comes to doing something for the basic industry of our own Nation, it is a different story. I want to remind my friend that I gained a lot of firsthand information traveling around the world this fall. I have a fair conception of the returns we can expect for our largesse abroad.

Mr. JAVITS. It is not a question of reorienting my line of thinking. It is a question first of our country's security and the justice between the elements of our people in their participation in the country's total economy.

Mr. H. CARL ANDERSEN. Your line of thinking, is all wrong in my opinion, when agriculture is under consideration here.

Mr. JAVITS. We have to proceed with an even-handed policy in every respect, and we are trying to do that.

I feel the views of the gentleman fail to take into adequate account the vital elements in our security of the mutual assistance program, military and economic, and the workers in trade and industry in our country. May I ask a question on this very point?

Mr. H. CARL ANDERSEN. Surely.

Mr. JAVITS. Is it true, and that is the information, I have, that the \$8.5 million proposed increase of the Commodity Credit Corporation authorized borrowing power, meaning \$1,750,000,000 in addition, is expected to be entirely utilized in connection with this year's 1954, crops, and that that is the estimate of the Department of Agriculture?

Mr. H. CARL ANDERSEN. The gentlemen does not mean a \$8.5 million increase; he means \$8.5 million total authorization.

Mr. JAVITS. That is correct.

Mr. H. CARL ANDERSEN. My answer is "No." I do not expect that much additional in outstanding loans.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. From all I have heard here today, if I did not know any better, I would think that the farmers of this country were the only people being subsidized. The fact of the matter is during the last 12 years the American people have paid \$40 subsidy to other segments of this country where they have paid \$1 to the farmer.

Mr. H. CARL ANDERSEN. Well, I might say to the gentleman that I assumed that the Members of the House knew all about that prior to this little talk of mine today. Certainly we gave many billions to business, through one means or another following World War II to get it back on its feet. Yet there are some folks that holler to high heaven, and this includes members of the press, because we are trying to hold up the economy of agriculture by giving a support level of 90 percent of parity beneath our storables.

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the matter before us has to do with the cancellation of outstanding indebtedness by the Commodity Credit Corporation to the Treasury of the United States.

The Commodity Credit Corporation is an instrument of the Federal Government. It belongs to the Federal Government. Anything it owes in effect the Nation owes in that we underwrite the Corporation up to the limit of its borrowing authority. It is a case of a Government corporation owing the Government, or the Treasury, this amount of money.

The law requires that the Commodity Credit Corporation support some commodities at varying levels. It has an overall borrowing authority of \$6,750,000,000. They have extended through the years almost all of their lending authority and, as was testified before our committee, they lack only about \$16 million of having reached the absolute maximum of their lending. It means we must give some relief if we are to keep the farm programs in line until

such action as may come out of this Congress. We must have some way to meet it.

I started the policy a few years ago when I had the honor of being chairman of this subcommittee of cancelling notes as against appropriating money every year to the credit of the Commodity Credit Corporation. Our action was open and above board. We explained it to the Congress. Since we have had the Commodity Credit Corporation it has been the instrument for the Government to do many things which had no connection with its own business, because it had the organization to do necessary jobs.

During the war we used the Commodity Credit Corporation to buy up huge quantities of supplies for use in World War II. They handled it out of their funds. Then we replaced those funds, and they had no connection with price supports. The Corporation was used to pay consumer subsidies and for other purposes not related to its job.

We spent in excess of \$140 million in Mexico to eradicate the foot-and-mouth disease, and the Commodity Credit Corporation was used, it being a corporation and Government-owned, to meet that need.

Then we had the International Wheat Agreement, which was a part of our foreign policy and which had commitments on the part of the Federal Government of several hundred million dollars a year. That, too, was put on the Commodity Credit Corporation because it was a corporation and had the pliability so essential to do that job.

Since a big part of what we were returning to the Corporation each year was for those jobs they did administratively for others, using their own funds, I thought it unfair that the annual cost of those kinds of things be charged up to agriculture. So instead of appropriating in the agricultural appropriation bill each year these amounts, we have carried them for several years as a cancellation of the debt that a Government corporation owed to the Government which owned the Corporation. As I say, that has been done in the regular appropriation bill each year. Insofar as the immediate situation is concerned, I cannot understand myself as to why we had to wait until the last minute to be made aware that they were this close to the ceiling of the debt limit of the Corporation. But, whatever their reason or whatever that has happened, it is true and we must, I think, for the protection of the overall economy, give this relief now. If anything it comes too late. It certainly is not too early.

I have heard all these discussions here about agriculture. I have spent many years working with the subject. Like many of you I was a lawyer before I came to the Congress. But, as you study the situation in this country, it is easy to see why we must of necessity have price supports for farm commodities. I hope I may have the close attention of my colleagues because what I am about to tell you is the result of many years of study in connection with the agricultural appropriations. For many



years we have had tariffs and other protections for industry. About the year 1900 we began to have minimum wage laws and bargaining power for labor unions. Early in the history of the Nation we began to provide certain protection and advantages in the law for various segments of our economy and to provide by law certain rights and privileges which have brought many benefits along with them to other segments of our economy. The Congress enacted such laws. But for about 150 years we let agriculture sell its products for what it could get wherever it could get it. In that period of time, your farmers left their farm lands to where now about 15 percent still live on the farms. In that period of time we got by with it because we thought we had an inexhaustible supply of raw materials. But your farmers under those conditions, with advantages written in the law for other segments of our economy, wasted 40 percent of all the fertile soil of this country and wasted 80 percent of the timber, and we are just as much dependent upon that soil and that timber as the farmer who has title to it during his lifetime. Now we have an ever increasing population of about 3 million people per year. In less than 23 years, we will need 100 million acres more of land than we have now. With one man on the farm having to feed five in the city, and a situation where the farmer as a whole spent \$24 billion last year to make a crop, we either through law must see that the farmer gets that cost of production plus a reasonable amount to put back into his soil, or he is going to wear his land out first and go into bankruptcy and move to town like the rest of us.

We must realize agriculture and agricultural welfare is not a separate problem, but must be considered a part of the whole. National income has averaged almost exactly seven times agricultural income. The Nation cannot stand a drop of seven times the present drop in farm income. It is not a question of what the Nation should do for the farmer, but it is a question of what we must do to protect the source of our food, clothing, and shelter, the source of practically all the raw materials used by our factories; a question of what we must do to protect the national income so essential to handling the huge national debt. It is a case of determining what assurances we must make to the caretakers of that source, the land, to see that it is taken care of.

We left agriculture out for many years when industry had advantages written into law and when industrial labor was protected by law. Largely as a result, 80 percent of our timber is gone; 40 percent of our land is gone. Farm life had so few returns from the farm share of the national income dollar that farm homes had few conveniences others had. Work hours were longer. Moisture, drought, pest, and diseases meant short crops and high prices with little to sell or good weather conditions, big crops, more work, and little price.

It followed that nearly all who could left the farm and farm boys and girls

were pushed by farm families to study hard so they could leave the farm for work where they could have more of life's conveniences. Farm population went down steadily from 84 percent to only 16 percent on the farm. Each person on the farm must feed five in town. Today farming is a commercial operation. Farmers either make money or deplete the land, go broke, and move to town like the rest of us. We had the great depression of the twenties for which many explanations have been offered. At any rate a drastic break in farm prices led off in that depression which carried all down with it—industry, labor, agriculture, and capitalist. We cannot stand another. Finally it was determined by the Congress to put protections for agriculture in the law where the other two major segments were already protected. Thus we have the price-support system in our law.

#### WHAT IS THE FARM-PRICE-SUPPORT PROGRAM?

An assurance of 90 percent of the comparative purchasing power the farmer had in 1909-14 as given for 6 basic commodities, which are storable, because a surplus one year can be kept or stored and will be in the way of the next year's crop, provided the farmers, if called on by the Government, will reduce the next year's production to absorb such extra carryover.

For quite a number of other commodities, much less assurance is given under the law, either because they were not determined by the Congress to be as basic to the overall economy or if perishable, the surplus production of one year was not in the way of the next year's crop. On most of these discretion was left with the Secretary of Agriculture. Remember 90-percent supports for perishable commodities such as butter is not required by law. The act contemplates that effort be made to keep American commodities on the world market.

The price-support law does not stop here. Our commodities are intended to be offered on the world market at world prices for section 32 of the Agricultural Adjustment Act provides that 30 percent of the taxes on foreign commodities and products which we let come into this country are set aside by law to enable us to offer on the world market at world prices farm commodities that are surplus to our market here. So far the Government has refused to use that law for many commodities to meet foreign prices.

The whole price-support program for basic commodities is based on enabling the farmer to have some assurance of income if he will make the effort, when demanded by the Government, to hold production and supply to the market but that does not mean the domestic market. What is wrong then? Supply and market is definitely out of balance and whose fault is it?

#### IN WORLD II AND SINCE, AGRICULTURE WAS LEFT OUT AGAIN

Industry: In World War II, the Government asked industry to produce hundreds of billions of dollars worth of extra production. The Government gave industry outright grants of hundreds of

millions of dollars for factories or built them and let industry have them for nothing. They bought what industry produced at cost plus a profit. Labor which produced such products was paid cash at high rates plus time and a half for overtime. The Government paid out more than \$4 billion in consumer subsidies. We have built up and now have on hand \$129 billion worth of military materiel. And all that cost was charged up not as a payment to industry and labor, but to national defense.

Agriculture: The farmers were asked to produce huge extra quantities of commodities for wartime need. No grants were made to buy farms for farmers. No tractors were purchased and left with him rent free with a contract to buy what he produced. But he produced and what he produced, with a very few minor exceptions, was not taken by the Government at cost plus a profit as with industry, but his extra production was dumped on the market with his normal production and upon a support system geared to work only if supply was kept in line with market and is largely being held off the world market. This was not felt too much when the Government gave money to foreign countries under the Marshall plan to buy from us for that was largely the reason for Government demand for increased farm production. Now we find that much of that production is not being offered for sale, and even when under section 550 of the foreign aid bill money is given foreign countries to buy American commodities, our State Department opposes such sale.

#### THE WAR'S END

Industry was paid \$16 billion by the Government to enable it to reconvert and on the argument that this action was necessary to keep industrial labor from being unemployed. Remember, also, that industrial labor is under social security. Twenty-four billion dollars in quick tax amortization were granted to industry in addition to that when the war in Korea broke out.

Agriculture was paid nothing by way of purchase, but its extra production was put on the local market along with the rest. It was added on the supply side in addition to the regular supply and on a price-support program geared to supply equals market. Of course, with a drop in Mutual Security, give-away programs, and governmental opposition to sale on the world markets, the commodities went to the Government at a percentage of the farmers' purchasing power in 1909-14 under the price-support system. This we did not call national defense cost.

That is not all the Government did. Take the case of cotton. The Secretary of Agriculture announced a cut-back to 17,919,448 acres of cotton to get supply and demand in balance. That may be a reduction in acreage for the landowner, but it cuts completely out and puts into the road many working farmers who do the actual work; and farmers are not under social security to help them during unemployment. The Government does not offer to pay \$16 billion to farmers to keep farm workers employed as it did to industry to keep industrial labor employed.



Why did we have a large part of that cotton? The Government asked us to grow it and made us keep it. In 1951 when we could have sold overseas enough cotton to put the supply and market in balance, the Government slapped an embargo on exports and said we could not send it out of the country, but must keep it on the local market for national security. In addition in 1951 the Government asked 16 million bales production. Largely as a result we now have on hand more cotton than we can sell or the market can absorb, which we are not offering to world markets at world prices. We have to cut back production and in determining how much cut, the Secretary of Agriculture counted all cotton in sight, including that which the Government would not let us sell and that which they asked us to grow for national security. We have managed to get some relief through the Congress, but at a price.

While an increase in acreage will relieve the farmers for 1 year, it leaves the basic problem of extra supply on a price-support program geared to work only if supply on the market is in balance with the market. We must offer that cotton to those who want it.

There can never be a market as long as 5 million extra bales are kept in the United States and on the local market, but not offered to world buyers. Cotton will have to go through the loan each year that such surplus to the market is left without being offered for sale on the world market.

Let me discuss parity with you for a minute. I hate to see some of my friends from the city, so many of whom are newspapermen and others get the word "parity" mixed up with fair prices. Parity under the law is 100 percent of the farmers purchasing power or the same comparative purchasing power that he had in 1909 to 1914. You gave him loan programs assurances of 90 percent of parity for basic commodities, or 90 percent of the comparative purchasing power he had in 1909 to 1914. However, back in that period it did not take half of his gross earnings to go into the purchase of expensive farm machinery and other similar cost for making of that crop because the farmland that was in use then was farmed by very simple procedures. But 90 percent of parity is 90 percent of comparative purchasing power the farmer had in 1909 to 1914. There is no other segment of our population that you gave as little as that for increased production asked of them. Did you assure labor or industry anything like 90 percent of comparative purchasing power in the years 1909 to 1914 of the farmers? No, you gave much greater assurances. When World War II came, let me repeat, you gave industry contracts on a firm basis, and many of them were cost plus a fixed profit, or a fixed-fee contract. All of them that I have learned about were given a firm commitment to pay for their products at a price which reflected the cost of production plus a profit. Labor was paid in cash as a result of such firm commitments to pay the cost of what they produced for Government.

When it came to agriculture you asked the American farmer to produce these increased amounts. Did you give him any assurance of getting his cost of production? Did you give him any assurance of profit? No; the most that you gave him, with a few minor exceptions, in the way of an assurance was a loan program at 90 percent, for basic commodities, of his comparative purchasing power in 1909-14.

I would like to present here a comparison of what we spent on agriculture and on other segments of our population to meet similar problems:

*Comparison of CCC price-support costs with other Federal subsidies and emergency investment for industry*

1. Losses under CCC price-support program:	
Basics .....	\$53,299,009
Nonbasics .....	1,141,540,014
Total .....	<sup>1</sup> 1,194,839,023
2. Federal expenditures for—	
Consumer subsidies (losses):	
CCC .....	<sup>2</sup> 2,102,067,121
DSC and RFC .....	<sup>3</sup> 2,143,231,385
Subtotal .....	4,245,348,506
Business reconversion payments (including tax amortization) .....	40,787,864,000
Subsidies to maritime organizations .....	<sup>4</sup> 327,500,000
Subsidies to airlines .....	<sup>5</sup> 302,123,000
Total .....	45,662,835,506
3. Federal investment in—	
Military materiel .....	<sup>6</sup> 129,000,000,000
Food and fiber (CCC inventories) .....	<sup>7</sup> 2,687,103,365
National stockpile of materiel .....	5,700,000,000

<sup>1</sup> From beginning of program in 1933 through Nov. 30, 1953.

<sup>2</sup> From July 1941 through Nov. 30, 1953. The last CCC subsidy program was ended on Oct. 31, 1947, although claims, refunds, and adjustments continued to be processed after that date.

<sup>3</sup> From July 1, 1943, through June 30, 1949. All DSC and RFC subsidy programs were ended by Oct. 14, 1946, but claims, refunds, and adjustments continued to be processed after that date.

<sup>4</sup> Estimated operating subsidies payable through calendar year 1954.

<sup>5</sup> Airmail subsidies through fiscal year 1954.

<sup>6</sup> Deliveries since Korea total \$50 million; balance in pipelines.

<sup>7</sup> As of Nov. 30, 1953. Includes price support, supply and foreign purchase, and emergency feed programs.

You did not buy the farmers' commodities at cost plus a profit as you did with industry and with labor. But you put his production on a price-support system where supply and demand were supposed to stay in balance. You dumped it on the domestic market along with what you already had, but you do not offer it on the world market at competitive prices.

With the end of World War II, we left untold billions of dollars of wartime built-up industrial output wherever it was all over the world. We did not bring it back here and dump it on the domestic market. We awarded to industry \$16 billion in reconversion payments so that industrial labor would not be unemployed.

Then, to expand industrial plants in order to meet the Russian threat, we awarded in excess of \$29 billion in quick tax amortizations; we allowed them to mark it off in 5 years. In the first 8 months of 1953 \$4.2 billion in quick tax amortizations were given to industry, to get them to meet the needs of the war.

During several of these years, when the farmer was producing at the instance of his Government, the Government not only did not buy what he produced, but issued export restrictions so that he could not ship his products out of the country at any price, when he could sell them, and held them here for the benefit of the consumers in our own country.

May I point out the number of places where this occurred?

*Agricultural commodities under export control*

Commodity	Added to positive list	Deleted from positive list
Wool and mohair .....	Nov. 24, 1950	July 3, 1952
Cotton .....	Sept. 8, 1950	Sept. 19, 1951
Cotton wastes .....	Nov. 9, 1951	Oct. 11, 1951
Cotton linters .....	Sept. 8, 1950	Nov. 28, 1952
Sugar .....	Sept. 1, 1950	July 31, 1952
Inedible molasses .....	Sept. 15, 1950	Do.
Palm oil .....	Mar. 20, 1951	Oct. 11, 1951
Castor oil .....	do	Apr. 14, 1953
Cocunut oil .....	Mar. 20, 1951	Mar. 20, 1952
Tung oil .....	do	Mar. 5, 1953
Oilseeds .....	do	Mar. 13, 1952
Rice .....	Sept. 11, 1952	Oct. 21, 1953
Tall oil .....	Jan. 30, 1951	Nov. 8, 1951
Rosin and turpentine .....	do	May 1, 1952
Sperm oil .....	Mar. 20, 1951	Aug. 2, 1951

Now we have come to the end of the fighting, I hope. At the moment, at least, there is no all-out war. We have these wartime buildups of farm commodities in the hands of the Commodity Credit Corporation.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. MILLER of Kansas. I was interested in what the gentleman said about twenty-billion-odd dollars in subsidies to industry paid since the war. I was interested in what the gentlemen from New York [Mr. COUDERT] said, that they have 14 million people in that State, almost one-tenth of the population. I suppose the people of New York have gotten their fair share of subsidies. They generally get theirs. I should like to ask, how much of the \$20 billion or \$30 billion do the people of New York get in the way of subsidies? It will figure out more than all the subsidies that have been paid the farmers in the last 18 years.

Mr. WHITTEN. I dislike for anybody to be dependent upon this or that or the other. But if you are going to have written into law protection for organized labor, protect industry, then the best you can do is try to have some balance. We do have protective tariffs. We do have minimum wage laws. We do have bargaining powers in labor unions. We have these things. We did waste a great part of our country when we left agriculture out for 150 years. We have come back a long way since agriculture has had somewhat equal treatment under the law.



There have been 13 freight rate increases since World War II. Other costs of labor have been advanced. They show up in more costs being attached to many farm commodities after they cross the Hudson River to New York from California than the farmer and everybody en route from California, to the point across the Hudson River, got out of them. They show up when you find only 20 cents worth of raw cotton in a shirt that costs the consumer \$4. They show up when only 2.7 cents goes to the farmer out of the loaf of bread for which you pay 19 to 21 cents. These things do show up in what the farmer buys and he is one of the great consumers. The farmers had an investment of more than \$100 billion and spent more than \$24 billion making a crop last year. Since they show up where they increase the cost you are going to have to see that the man who is the caretaker of the soil gets his balance in law so that his return is sufficient to enable him to put back into that land a fair share of what he takes out. We must see to that in defense of the consumer. After all the farmer is going to eat first. It is the rest of us who are dependent upon what he grows to sell.

I want to say that when the war was over, we did not make these payments to the farmers. We did not give him the \$49 billion of benefits that went to labor and industry in an effort to readjust. But we have extended through the Commodity Credit Corporation \$6,734,000,000 with which to make loans on commodities including the war period. We do have these commodities. What are they doing with them? Are they offering them to the world for sale? No. They are holding them. And nearly every time we find a chance to sell some of those commodities in foreign countries, your State Department, or your Commerce Department, or somebody else says, "Oh, no, we cannot afford to sell these things because somebody else is already selling farm commodities to that country."

I would like to list here the commodities the Commodity Credit Corporation has but did not offer for sale on the world market at prevailing prices in 1953 nor does it offer them now.

Cotton, American-Egyptian; cotton, upland; cottonseed; cotton linters; cottonseed oil, crude; cottonseed meal; tung oil; peanuts; barley; beans, dry edible; corn; tobacco; rosin; turpentine; flaxseed; linseed oil; grain sorghums; oats; rice; rye; seeds, hay and pastures; seeds, winter cover crop; soybeans; wool; mohair.

Now the State Department does not issue an order, it merely stymies the Department in getting clearance. I am told its representatives merely pass the word out in some foreign countries who are beneficiaries of our foreign-aid program that they should not buy from us but buy elsewhere.

Do you think it is time that we broke the shackles loose that are really ruining the farm program and offer on the world market these commodities at whatever the world market will bring? I am not talking about breaking the backbone of world market prices. Our farm program was started and was in-

tended for the purpose of giving some protection to American agriculture. It is being used to take American agricultural products off the world market and to take away from the American farmers the right to move their commodities at the world price whenever folks want them, by this failure to offer such commodities for sale at competitive prices. As long as you have that policy, the Government instead of being able to cut down its losses in the support price involved in this program, has got the entire amount of money they have in it tied up. If we sold such supplies the Government would be out only the difference between the support price and the sale price. By holding all these commodities off the world market and in warehouses we are footing storage bills of \$14 million per month. That will continue as long as you do not move commodities to the world market where the farm commodities from other countries are being offered not at a market-breaking price but at a competitive world price. After all to earn such support price, the farmer in so far as basic commodities, must limit his production but it was never intended to limit the farmer to the domestic market which in effect you are doing now.

Even under section 550 of the Commodity Credit Act in which we give foreign countries the money with which to buy these agricultural commodities we have been able to get only about \$60 million worth of them sold, and you can never move to sell any of them except when the State Department or some other department comes in and says you can, even though you are giving the purchasers the money with which to buy. They say we cannot afford to sell, that we have got to let our farmers hold it in the United States so other nations can sell. If we are going to hold such supplies because of the State Department, if we are going to hold them because of national affairs, if our international relations require us to hold it, let us put the title to it in whoever is causing us to hold such supplies off the market and not let the full cost be saddled on the farmer when only a small percentage should be. Let these other agencies be charged for these supports of from 60 to 90 percent of the purchasing power the farmer had from 1909 to 1914 which is what parity is, if they prevent us from salvaging from sales what the commodities are worth on the world market.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. FULTON. There are those of us in the middle ground who want to see the farmer successful because we want to be able to sell to the farmers and we want successful customers. We in this group favor using these farm surpluses abroad, instead of giving them guns, putting guns in their hands. We say we should put food in their hands and let them get their guns somewhere else.

Last year the House adopted my amendment requiring the use of surplus farm products where feasible in the foreign aid program, charging it to the program for foreign aid. The gentleman

from North Carolina, [Mr. COOLEY], also said he was for the amendment. Why could you not work with some of us who want to get rid of these surpluses, using them in the foreign aid program? The gentleman will remember that when the conference report on the bill came back the amount was limited to about \$250 million. We would like to move it that way if we could.

Mr. WHITTEN. Unless you can shake the State Department or the Commerce Department and various others loose we cannot do much. Although last year over \$200 million total was appropriated for these purposes we have been able to get only \$60 million of that money used for the purpose, although the requests from other countries are certainly several times the \$60 million. We have got to do something to change the policy of the State Department and these other departments so that every time we get an opportunity to sell some of these commodities they do not step in and object on the ground that it would interfere with some other country's program. The trouble is that the Department of Agriculture is being surrounded by other interests within our own Government. It is not a new problem that has risen just since the first of the year.

Mr. H. CARL ANDERSEN. May I give the figure on that? They have used \$238 million of surplus farm agricultural products in the program this year. It is up to \$200 million instead of \$60 million as the gentleman said. The latest figures we have just received is that \$200 million are now in process.

Mr. HUNTER. Under section 550?

Mr. H. CARL ANDERSEN. Surplus farm products.

Mr. HUNTER. Practically \$60 million has been obligated of the \$200 million program. A representative of the State Department has stated it will obligate more than \$60 million. We have not been able to obligate more than approximately \$60 million.

Mr. WHITTEN. So if you and I agree, it will not count unless we get the folks who are really blocking this program to cease and desist.

Mr. FULTON. The \$200 million is now programed and is now going ahead and is not being blocked by the State Department.

Mr. WHITTEN. I think our situation requires legislation. I have offered a bill to correct this situation. I shall offer such proposal as an amendment though doubtless a point of order will be sustained against it. I shall present it for your thought and study for the legislative committee should give us such legislation. I believe such legislation would do much to save the farm program and to save the stability of this country.

May I present you this bill:

A bill to authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes

*Be it enacted, etc.,* That the Congress hereby finds and declares that the farm-price-support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and Governments have the in-



herent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

SEC. 2. The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market; *Provided, however,* That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

SEC. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale, shall be offered for sale for use outside the continental United States, its Territories and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States.

Now, once again, we have to give this relief to the Commodity Credit Corporation if the farm program is to continue until the Congress acts on increasing the borrowing authority of the Commodity Credit Corporation. If we want to save the farm program and save the Government hundreds of millions of dollars, we will offer these commodities for sale on the world market and charge up to American agriculture and the Nation only the difference between the support price and what we sell them for. As the situation now exists, we are charging up to agriculture the entire amount we are investing in farm commodities. It is unsound to do that. The answer is, if the State Department wants to hold these commodities off the market for any purpose of its own, transfer title to that Department and let them hold it. There may be some reason in certain cases for doing that.

I hope the House will go along with this resolution.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. May I say that the gentleman has a good basic idea with reference to something that should be done for the good of the future of agriculture. The only reason I will have to oppose him today so far as his amendment is concerned is not because I do not think he has something very worthwhile but I think even he will acknowledge that our authority under this bill is limited to appropriations and that we on this subcommittee on appropriations have no right to legislate.

Mr. WHITTEN. May I say to my friend that I respectfully differ with him. What we are doing here is legislative and our committee knows the great amounts of money that we are spending through the Commodity Credit Corporation, much of which we should be recovering. In other words, we should be getting it back by selling these commodities once they get in the hands of the Corporation. When something comes before me and I get my hands on it and it needs correcting, I am going to do my dead-level best to correct it. This legislative measure before us is our best opportunity. While my amendment may be subject to a point of order, I hope its presentation will lead to corrective legislation. I know for 5 or 6 years we have been trying to get remedial action. We have not been able to get relief. I think you are missing a mighty good opportunity, because this may be the last chance that we on our committee will have at it.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. I have been exceedingly interested in the gentleman's discussion and wonder whether he had seen or prepared any set of figures as to what the loss to the United States Government would be today if those crops presently covered by the Commodity Credit Corporation were sold at prevailing international prices.

Mr. WHITTEN. As long as our commodities in this country are kept at the support price plus 5 percent in most cases, foreign nations who are competitors, or would be, if we do not bottle our own production in this country, are just barely underselling us by about 2 to 5 percent. I do not know that we could sell all of these commodities, offhand. It would take time for the world markets to absorb them but we would be getting our normal markets back. But why say that because some foreign country does not want us to sell our commodities that the American farmer should have them held on his hands or be charged up to him in our warehouses? But, insofar as a comparison of prices, from 2 to 10 percent would be amply broad enough to cover what our investment is as against what the present prevailing market price is in most cases.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, first, I would like to say that the district which I have the honor to represent contains both substantial industrial and agricultural activities, and I certainly am not taking the floor this afternoon to do any injury to agriculture. Rather, I want to attempt to express a point of view which I think needs to be considered most seriously and very soon.

I want to start by quoting from the speech of the President here a matter of 2 weeks ago. He said:

Agricultural laws now in effect successfully accomplished this wartime purpose of encouraging maximum production of many crops. Today, production of these crops at such levels far exceeds present demands. Yet the laws encouraging such production are still in effect. The storage facilities of the Commodity Credit Corporation bulge with surplus stocks of dairy products, wheat, cotton, corn, and certain vegetable oils; and the Corporation's presently authorized borrowing authority—\$6,750,000,000—is nearly exhausted.

Next I want to remind you of something that the Secretary of Agriculture said to the Senate Committee on Agriculture a week ago Monday. He said that it was about time to ask ourselves a few pointed questions and suggested this particular one:

At what point will the 140 million Americans who do not live on farms rise up, as they did in the potato fiasco—

And we all remember that—

of a few years ago, and demand not revision but outright elimination of all direct aid to agriculture?

That concerns me and I think it should concern everyone here who has the interest of agriculture at heart. I know there are many on this floor this afternoon who sincerely are concerned about this today.

I call your attention to certain specific figures out of the budget because they raise a very real question as to where we are going if we do not do something constructive in this field.

The inventory in wheat was actually \$1,187,484,921 at the end of June of this year. It is estimated it will reach \$1,830,400,000 next year. And finally we have the staggering figure of \$2,151,000,000 in 1955. That is an overall increase of \$963,515,079.

The corn inventory figure is equally as staggering. At the end of June of this year it stood at \$371,215,346. It is estimated to be \$776 million in 1954 and to reach a high of \$1,108,400,000 in 1955. This is an overall increase of \$737,184,654.

As of the end of June of this year the inventory for cotton was \$32,796,449. For 1954 it is estimated it will be \$19,696,449 and will reach a high in 1955 of \$148,783,825, or an increase of \$125,987,376.

In all, the budget, reflecting the losses that are on the books today, indicates that there will be a jump in the entire program between June of this year and June of 1955 of \$1,876,011,317, broken down as follows:

1953-----	\$2,338,736,567
1954-----	3,537,368,003
1955-----	4,214,747,884

I know of no other alternative which has been suggested by anyone than the one suggested by the President of the United States to us. I hope our Committee on Agriculture will schedule as early hearings as possible and will come to us with recommendations which will solve or tend to solve this problem of these mounting surpluses.

Certainly what has been said here on the floor today about the use of these foods rather than their storage, their de-



terioration, is significant. It has already been suggested that the carrying charges alone, almost a complete dead loss, run better than \$14 million a month. The last statement of the Commodity Credit Corporation became available a couple of days ago. From June 30 of this year to November 30, it showed that the total carrying charges alone were \$94,832,308.84. That is broken down as follows:

*Inventory transactions by program and commodity, fiscal year 1954 through Nov. 30, 1953*

**PROGRAM AND COMMODITY—CARRYING CHARGES**

**Price support program:**

**Basic commodities:**

Corn .....	\$17, 772, 862. 82
Cotton, upland .....	490, 573. 00
Peanuts, farmers' stock .....	858, 548. 97
Peanuts, shelled .....	-----
Rice .....	2, 495. 68
Tobacco .....	10, 315. 61
Wheat .....	56, 332, 944. 29

Total basic commodities .....

75, 467, 740. 37

**Designated nonbasic commodities:**

**Milk and butterfat:**

Butter .....	3, 317, 652. 75
Cheese .....	2, 392, 642. 10
Milk, dried .....	2, 422, 947. 67
Honey .....	163, 596. 00
Tung oil .....	51. 90
Wool .....	650, 366. 67

Total designated nonbasic commodities .....

8, 947, 257. 09

**Other nonbasic commodities:**

Barley .....	731, 344. 79
Beans, dry edible .....	539, 034. 96
Cotton, American-Egyptian .....	42. 86
Cottonseed and products:	-----
Cottonseed meal .....	1, 448, 836. 88
Cottonseed oil, crude .....	-----
Cottonseed oil, refined .....	1, 751, 985. 84
Cotton linters .....	1, 822, 348. 72
Flaxseed .....	907, 632. 50
Grain sorghum .....	146, 568. 60
Linseed oil .....	329, 606. 90
Naval stores:	-----
Rosin .....	127, 827. 06
Turpentine .....	22, 421. 17
Oats .....	1, 210, 017. 77
Olive oil .....	4, 324. 44
Rye .....	23, 410. 76
Seeds, hay and pasture .....	406, 778. 06
Seeds, winter cover crop .....	597, 940. 14
Soybeans .....	347, 189. 93

Total other nonbasic commodities .....

10, 417, 311. 38

**Exchange commodities:**

Strategic and critical materials .....

Other commodities .....

Total exchange commodities .....

-----

Total price support program .....

94, 832, 308. 84

I grant that not a great many people know all the details of this program, but I suggest to you that more and more and day by day they are going to know about it, and they are going to demand that something be done about it.

I suppose this resolution will have to be passed. It is in the nature of an

obligation already incurred. I would like to vote against it, but I do not believe I would be justified in doing so.

But I do not believe the responsible people representing agriculture in this House can ignore what the President has recommended, what the majority leader has been saying over and over so effectively, and what is troubling so many of us.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to make this comment. The gentleman from Massachusetts was foresighted enough about 6 years back, as I recall, to help fight through this House then a provision which would make available surplus foods to the poor people of this Nation who otherwise would not have the money to buy these surplus foods. If I recall rightly, the gentleman joined me in that effort at that time to help get something done toward disposing of our perishable surplus commodities so that they would really do some good. I compliment the gentleman on the years of work he has done along this line. He has done immeasurable good to thousands of old folks in our Nation.

Mr. HESELTON. I appreciate that. May I add, too, that had it not been for the very effective help the gentleman from Minnesota gave there would have been no consideration of it.

In conclusion, if that program had been really implemented as it is suggested now it should be implemented we would not be confronted with this problem. The surplus commodity program would probably by now be in very satisfactory shape.

Mr. WHITTEN. Mr. Chairman, I yield 13 minutes to the gentleman from Minnesota [Mr. MARSHALL].

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, I am supporting House Resolution 358, to cancel the indebtedness of Commodity Credit Corporation. While I have some doubts in my mind concerning the handling and management of some Commodity Credit price-support programs, it would be unthinkable to permit any doubt to rise in the markets as to the ability of Commodity Credit Corporation to meet its price-support commitments. To permit such doubts to exist would create a temporary disruption in commodity markets that would be extremely harmful to farmers, and would prove of no benefit whatever in reducing the cost of food to consumers in urban areas. I am sure that no Member of this body would wish to take an action that might endanger the economy of this country by placing the farmer at the mercy of forces which would drive his prices down still more, throw additional people out of work, and lead us down the road to national recession.

The matter at hand does not involve the question of whether a person is in favor, or not in favor, of price supports for agriculture. That is a question that will be brought before a legislative committee of the Congress, and ought to be

carefully gone into, debated, and deliberated by members of that committee and the Members of the House. The present resolution involves living up to commitments which we have made, and keeping the faith of the people in their Government. It is a responsibility which I am sure no Member of this body would knowingly seek to evade. At the same time, there are a number of things involved in this resolution to which I wish to call the attention of Members.

The basic situation is this: Lower farm prices have resulted in such a need for Commodity Credit loans that CCC has been forced to obligate its funds faster than officials had anticipated. It is further evidence that Department of Agriculture officials have underestimated the value farmers attach to price-supporting loans in a time of lower prices and at a time when efforts are being made to reduce the effectiveness of these programs.

Another point that ought to be understood is that cancelling the CCC indebtedness now has the same effect as borrowing a like amount of money from the Treasury. It simply enables CCC to obligate funds in the amount of the cancellation. Normally, this bookkeeping transaction would take place near the end of the fiscal year and the expenditures would be charged to the 1955 budget instead of the 1954 budget. The Congress could meet its responsibility, and CCC could meet its obligations just as well by adopting legislation to increase the borrowing power of Commodity Credit Corporation, but the Department of Agriculture feels there is not enough time to handle this situation by new legislation.

There is another aspect involved in this resolution which I feel ought to be understood by the members of this body. The failure of the other body to raise the statutory debt limit has resulted in some of our Government departments resorting to methods of financing which, if not questionable, are certainly not designed to make the most economical use of the taxpayers' money. I regret that the Department of Agriculture has seen fit to engage in a practice of this kind, which I feel is not only costing the taxpayer money but also is a subterfuge to get around the debt limit.

It has been the normal practice of the Commodity Credit Corporation to borrow money from the Treasury. Such funds, of course, come under the statutory debt limit. Since last fall the Department has offered Commodity Credit paper to banks in the amount of more than \$1 billion as a means of financing a part of its operations. Such funds are not subject to the debt limit restrictions. The practice is nothing more than a means of getting around the debt limit.

This CCC paper is issued in the form of certificates of interest. The interest rates have been attractive, as evidenced by the amount of over-subscription for each issue. The first offer was on October 28, 1953, in the amount of \$360 million at an interest rate of 2½ percent. The banks offered to buy over \$2 billions worth of this paper because of the attractive interest rate. The second offer was on December 7, 1953 in the amount



of \$450 million at an interest rate of 2¼ percent. The banks offered to buy \$1.2 billion worth of this issue. The last two offers were on January 15 of this year in the amount of \$350 million at an interest rate of 2¼ percent. The banks wanted over \$1.8 billion of this paper.

During this period the Treasury could have borrowed the money on 91-day bills for approximately 1½ percent interest or less. Commercial call money in New York was only about 2 percent at the time of the issue last fall.

In fact, on October 1, before this kind of financing started, CCC borrowed \$500 million from the Treasury for 9 months at 2 percent interest. In other words, had CCC borrowed these funds from the Treasury at the time, it would have saved the taxpayers one-half of 1 percent interest on the first \$360 million; one-fourth of 1 percent interest on the second issue of \$450 million; and one-eighth of a percent interest on the last issues of \$350 million, and the Treasury would have been able to make one-half percent.

Can it be denied that this fat interest rate on CCC notes had no effect on interest rates in the country? In all fairness, I am bound to ask if this administration is not more interested in finding ways of benefiting the banking industry than in helping agriculture or in protecting the taxpayer who carries these costs.

I hope that the handling of this financing will be gone into thoroughly by the Committee on Banking and Currency. I hope that this loophole by which the Department of Agriculture is getting around the debt limit will be plugged when the committee considers the legislation to increase the borrowing authority of Commodity Credit Corporation. We are forced to handle this problem today as an emergency situation. The responsible way would be for the appropriate committees and members of Congress to handle it in the normal course of events and with enough time to consider all the factors concerned. Your Committee on Appropriations has gone into this matter as thoroughly as it could within the time allowed. The chairman of my subcommittee has been fair in every way with the members of the committee. I regret to say that in my opinion the Department of Agriculture has not treated the Congress in as fair and open a manner as it might have.

In all frankness, I cannot feel that officials of the Department of Agriculture are mentally equipped to carry out price support programs as the Congress intended them to be carried out, because of their opposition to such programs. Had I been responsible for handling some of the agricultural programs as they have been handled in the last year, I am certain that I would be reluctant to come before a congressional committee with an open book on some of these transactions. There has been too much of uncertainty and disruption of markets, and distrust created among farmers and tradesmen alike, by untimely announcements, lack of understanding and know-how, adherence to theory rather than fact, discrediting of farm

programs and turning the city consumer against the farmer.

My colleague the gentleman from Mississippi has gone into the international trade aspects of the Department's activities. The gentleman from Mississippi is well informed on this subject and has stated the case in his usual straightforward manner. It clearly points to a lack of vision in the Department of Agriculture, or an inability to act. I have no way of assuring my colleagues that any of these matters may be corrected by the Department. I do not accuse them of bad faith and dishonor. I think rather it is a lack of understanding and an inability to meet situations in a practical way. However, I still have some hope that through their various study clubs and seminars the Department officials eventually will come forward with practical answers to the problems of agriculture.

In the interest of all the people of this country, I hope that this resolution will be passed, and I hope the Department of Agriculture will take note and make a determined effort to pursue a policy of greater frankness, and even adopt a little more know-how in its future operations.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. PATMAN. Is it not a fact that the 2½-percent offering which was oversubscribed by between 8 and 10 to 1 was about twice the going rate of interest for short-term money of that type at that time?

Mr. MARSHALL. In this last month's issue of a national business magazine, comment was made that the Treasury was making loans for short-term periods at an interest rate of 1.2 percent. So these figures are well over twice the amount.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Montana.

Mr. METCALF. I have been interested in the gentleman's description of the powers of the Commodity Credit Corporation. I want to assure myself concerning whether or not the money that would be appropriated here can be used for any other purpose than as set forth in the bill.

Mr. MARSHALL. What did the gentleman have in mind?

Mr. METCALF. I am concerned about the Department of Agriculture using the funds of the Commodity Credit Corporation for furnishing administrative offices or establishing weekend resorts or something of that sort. Could any of this money be used for that purpose?

Mr. MARSHALL. I would like to say to the gentleman from Montana [Mr. METCALF] that I was amazed and shocked at some of the disclosures concerning some expenditures of research funds. At least, I understood that they were research funds, which were used to do some of the things which the gentleman has mentioned, such as providing a rest cottage for the Secretary. It is true the amount of money involved was

small. However, the people of this country have confidence in research. They have felt that the funds that Congress appropriated for research have been put to a worthwhile purpose. It seems to me unfortunate that the Department of Agriculture has used funds as they have according to the newspapers, if those stories are true.

I want to assure the gentleman from Montana [Mr. METCALF] that the subcommittee on Appropriations of the Department of Agriculture will go into that very thoroughly when the Department officials come up to testify concerning their requests for funds.

As to what the gentleman asks about the funds in this bill we are considering, I think I can assure the gentleman that no funds in this bill we have before us today might be used in the manner suggested.

Mr. METCALF. That question would come up in some subsequent appropriation?

Mr. MARSHALL. It would come in the regular appropriation bill when the various divisions of the Department of Agriculture come up concerning their appropriation requests.

Mr. METCALF. And the gentleman's committee can make inquiries as to how expenditures were made from last year's appropriation for research funds?

Mr. MARSHALL. That is correct. And I can assure the gentleman that no members of your subcommittee on agricultural appropriations were aware in any way whatsoever that research funds found be used for purposes such as the gentleman has mentioned. I do not know whether the newspaper stories were accurate. We shall check that also. It is not the purpose of your subcommittee, as I am sure every Member of the House would agree, to take any of these stories that are just hearsay. We shall want to go into the matter and check it carefully and thoroughly. We shall want to be sure that the taxpayer gets as much as he possibly can for the money that is spent.

Mr. METCALF. I am sure that that is so, and I thank the gentleman.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. MILLER of Kansas. As I remember, one of our colleagues from New York City raised the question of why these farmers should not produce this butter at 50 cents a pound. I would suggest that if he would get up at 5 or 6 o'clock in the morning, go out and feed those cows and milk them, then churn this butter, he would know the reason why.

Mr. MARSHALL. I thank the gentleman.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. JAVITS. I am the gentleman from New York to whom the gentleman from Nebraska has referred. The thing I would like to point out to the gentleman is that the genius of American industry is that costs have been brought down so that the people are able to consume more. I want the farmers to be



more, not less, prosperous. Therefore, I suggest that in view of the enormous technological advances that have been made upon the farm just as those that have been made in the factory, should result in greater volume at lower prices. I think that has been the secret of the economic success of our industry as it should be of our farmers.

Mr. MARSHALL. I appreciate the gentleman's comments, and, having served in the House with the gentleman, I am sure that he is interested in not driving a wedge between the city consumers and the farmers.

Mr. JAVITS. Certainly not.

Mr. MARSHALL. But I wish the gentleman would study more fully the effects of farm programs on the consumers he so ably represents.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman from Missouri [Mr. BOLLING] 5 minutes.

Mr. BOLLING. Mr. Chairman, it is with some hesitation that I inject myself into this discussion because of the fact that I represent a city district and make no claim to be an agricultural expert. I think it is very important that all of us in this Congress should understand that while city consumers recognize that there are a great many more subsidies and aids to business than there are to the farmer; recognize also that the farmer is in a difficult situation today, for he has absolutely no control over the price at which he sells his products; and recognize finally that processors and middlemen are responsible for a tremendous percentage of the final price that consumers pay, the city consumer is impatient of waste.

I think it is very important that the representatives of rural areas recognize that while city consumers may be willing to pay their share in terms of tax money for a sound and effective price-support program, and in addition to that the city consumer may be willing to tolerate rather high prices of food and fiber products, yet the city consumer will not tolerate these two conditions plus a third condition, and the third condition is that of waste. We all remember the potato fiasco of which so much political capital was made a few years ago. From my knowledge of agriculture and the operations of the Commodity Credit Corporation, it seems to me that it may well be that we will face a similar fiasco not only in butter and dairy products but also in other commodities unless we are able to find a market for these surplus goods.

I am very much impressed by the proposal suggested by the gentleman from Mississippi [Mr. WHITTEN] in this regard. I wonder, however, if he will be willing to vote for the appropriations which might be needed to support the economy of other countries which we might undersell in the field of cotton or wheat—countries in which we would desire to maintain a strong economy as a part of the free-world alliance.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I can see the point that the gentleman makes, but I would

like to ask him this question: If it is essential that the United States shall protect those economies by preventing American agricultural products from being moved in world trade, does he not think that should be charged up to our foreign policy as against being charged up to agriculture?

Mr. BOLLING. I am perfectly happy to accept that approach. I think it makes good sense. In addition to the approach suggested by the gentleman from Mississippi, I have been studying a bill similar to the one discussed by the gentleman from Massachusetts [Mr. HESLTON]. We must try to find outlets for these products, but I think that we in the House must recognize we must find some solution to the problem. If we cannot find a use for the abundance we now have, we will then have to turn to the perhaps less agreeable approach of developing effective production controls. The city consumer is increasingly aware today that when the Congress acts to control the production of cotton or of wheat there is inevitably a tendency to compromise the permissible production figure upward, which results in overproduction, barring most unusual weather factors.

I have not yet made up my own mind what I will do in the coming year on this very perplexing problem. I should be much happier when I do vote as the Representative of a city district if I have the feeling then that the great Committees on Agriculture in both the House and the other body have approached this problem objectively and without a vested interest in this or that program which may or may not have succeeded in past years. Not only is the city consumer entitled to the best possible thought that can be given to this very grave problem but also the farmer is entitled to that kind of thought.

Often as I have listened to the discussion between the proponents of the flexible price-support approach and those who believe in 90-percent farm-price supports, I have not had the feeling that there is a real desire to find the best solution. Rather, I have had a strong feeling that there is a desire to find a solution which might be, at least temporarily, politically viable.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The distinguished gentleman has referred to dairy products, as have all of the Representatives from the metropolitan districts on the floor today. But, from the standpoint of the record, it should be pointed out what the latest obligation figures are as far as the Commodity Credit Corporation is concerned: Corn, \$852,100,000; wheat, \$2,055,600,000; cotton, \$1,013,500,000; all dairy products, \$381,900,000.

Mr. BOLLING. Of course, most dairy products, and butter especially, are a great deal more perishable than corn, wheat, and cotton.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(Mr. BOLLING asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. PATMAN].

#### FOR COMMODITY CREDIT CORPORATION

Mr. PATMAN. Mr. Chairman, I am against this bill. I expect to vote against it. Although I am very much in favor of the Commodity Credit Corporation, and I believe it has done a splendid job and should be encouraged, I will vote to increase the lending power and I will vote to increase the national debt limit in order to take care of this situation. That is what is involved here; that is all that is involved, more lending power for Commodity Credit and the debt limit raised. Under this arrangement the Congress will probably be charged with refusing to raise the debt limit so as to give an excuse to further benefit the banks.

Last year I voted against raising the debt limit not because I wanted to just be in opposition, but because the banks had \$9 billion in Government funds on deposit that the people were paying interest on. They were idle and unused funds and I knew if we stopped the raising of the debt limit they would have to spend that money and would not need to raise the debt limit for the next year, and that is the reason I voted against it. Personally I think it is hypocrisy; certainly intellectual dishonesty for a Member of Congress to vote for appropriations and cause the expenditure of money and funds and then not vote to raise the debt limit as necessary to take care of it. It should be done when necessary. It is just like a Member voting for appropriation bills and against all tax bills to pay them. I do not believe in that, so I will vote to raise the debt limit if it is necessary.

But, today's daily statement, which you have this morning, discloses that there are \$3,788,628,000 in the banks of the country on deposit to the Treasury of the United States. Now, that money can be spent. The way it can be spent is not to give checks. The majority leader was in error. He was in error when he said that these banks would take this money and the check would be given to people working in national defense plants or defense industries around these banks holding the deposits, and the money would be kept there locally. He made a mistake when he said that, when he made that statement. It is not correct. The Treasurer of the United States does not give a check on any one of these 11,000 banks holding these funds. When the money is needed, the Secretary of the Treasury calls on the banks to send a certain amount of what they have into the nearest Federal Reserve Bank, and all checks are given on the Federal Reserve Bank, because the Federal Reserve Banks are the fiscal agents of the United States Government.

#### QUADRUPLE BONUS TO BANKS

Now, the reason I am not in favor of this bill is this. I am not in favor of a double bonus or triple bonus or quadruple bonus to the banks. We are giving the banks a double bonus now on this \$3.8 billion. We have permitted them to buy bonds, and in buying those bonds they created money on the Gov-



ernment's credit to do it, on their books. They are keeping that money and they are keeping the bonds that they bought. Now they are not only drawing interest on the bonds they bought with that manufactured money but they are also keeping that money there and they are using it, lending it out to Tom, Dick, or Harry, and making money there. So, they are getting two bonuses on that. No one within the sound of my voice can tell of any substantial service that a bank renders when it buys a Government bond.

It is unworked for and unearned interest it receives; nobody can contend otherwise. I am for the banks having a generous amount of bonds, because I believe in a strong and a profitable banking system and I am not objecting to it up to a point. But, there is a limit beyond which we should not go.

Now then, we give them a double bonus on this. If we, in order to keep raising the debt limit allow the Commodity Credit Corporation to sell more of these Commodity Credit securities to the bank in the same way and manner as I have said they bought the bonds, you will not only subsidize them a third time, but by letting them keep the money there you will subsidize them a fourth time. So, it is not only a banker's bonus bill—it could be referred to as that—of course, I will not call it that because it is a policy and practice that has been carried on so long it is traditional—but at the same time it could be referred to as not only a banker's bonus bill but a 400 percent banker's bonus bill.

The majority leader said the argument made did not make much sense to him. Does it make much sense to you for the Government of the United States to have \$3.8 billion on deposit and leave it idle and unused, and then go back and borrow money from the very same banks that have that money? That does not make sense at all. This money should be sent into the Federal Reserve banks and should be used and then it would not be necessary to make these loans or these borrowings.

All right. The majority leader said they need a lot to go on, that the bills are very heavy. Everything he said about that is doubtless true. The turnover is very rapid. Congress has very wisely provided against that contingency. Congress has provided that when the well goes dry, when there is no more money there, the Secretary of the Treasury can get \$5 billion from the 12 Federal Reserve banks by direct loans. They do not even have to do it through an open-market transaction. They can do it directly. Therefore, there is no danger of this well going dry to the extent that our Government will be embarrassed. Out of that \$5 billion the most that has been used recently was \$312 million, and now less than \$3 million out of \$5,000 million is in use. So when we use this money I have been telling you about, and we get a little tight, we need more money, we use that borrowing power provided by the Congress of the United States, where the Secretary of the Treasury can go to the Federal Reserve banks and borrow \$5 billion extra and use it any way he wants to. So there is no danger of our

country getting in bad condition because of the financial well going dry.

For that reason I am voting against this joint resolution. It is not for the farmers, it is for the banks. The banks do not need it. They have plenty of the Government's money. Let us use some of the Government's money that they have in some of these same banks that would buy these bonds.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, as to the last statement the gentleman made, he is entitled to his opinion. Insofar as the lending rates and the rates they are paying for money outside of borrowing from the Treasury, the gentleman may be right as to that. Certainly we should give no one a windfall in interest rates. However, insofar as the farmer is concerned, there is no question but that the testimony is uncontradicted that the borrowing authority of the Commodity Credit Corporation lacks only about \$16 million of being exhausted.

The law says these loans in certain cases shall be made. In the absence of the Commodity Credit Corporation having its authority increased to meet the requirements of the law, there would be a breakdown in the farm price support system, in my judgment, and it is uncontradicted by the record, for at least 60 or 90 days, until the Congress could take action.

As to the facts that the gentleman from Texas raises with regard to the sources of money, things of that sort, if his facts be right of course I agree with him. I have had no opportunity to determine and claim to be no expert on the Federal Reserve System, but I do say that it is highly essential for the operation of the farm price support system that this relief be given and be given now.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that we could consider a bill to raise the limit just the same as we are considering this bill, and we could get it through Congress just as quickly as we can get this bill through?

Mr. WHITTEN. You considered that, of course, and I believe it lies in the other body now. You can do it all over again but I do not know how you can control the other body. However, be that as it may, the thing I am trying to do is to meet the farm problems which exist. While these things the gentleman discusses may be involved collaterally, the major thing is to give relief to the Commodity Credit Corporation to meet the requirements the law places upon it.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. There are two bills in the other body to increase the capital structure of the Commodity Credit Corporation. They are before the Committee on Agriculture.

Mr. WHITTEN. I understood the gentleman to refer to increasing the limit of the national debt. I did not

understand him to refer to the Commodity Credit Corporation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I have today introduced a bill which is designed to do the two following things:

First. Reduce the present perplexing stocks of surplus commodities held by the Commodity Credit Corporation.

Second. Give a substantial relief to every Federal income-tax payer in the Nation.

I propose that every person who is required by law to file a Federal income tax return, and who does so, be issued Commodity Credit certificates which the taxpayer may exchange for commodities held by the Commodity Credit Corporation. These certificates would be issued in amounts equal to, but not in excess of the following:

Every person filing a return, even though paying no tax, or each person filing a return and paying a tax of \$25 or less, shall receive certificates in amounts not to exceed \$25, plus an additional \$25 for each dependent lawfully claimed.

Each person filing a return and paying a tax of more than \$25 shall receive certificates in the amount of the tax paid, not exceeding \$50, plus an additional \$25 for each dependent.

Persons filing joint returns would get certificates equal to the tax paid, but not in excess of \$50 for each person making the joint return, plus \$25 for each dependent.

The Secretary of Agriculture shall prescribe the necessary rules and regulations for orderly and systematic distribution of these surplus commodities through regular business channels.

The CHAIRMAN. Does the gentleman from Mississippi have any further requests for time?

Mr. WHITTEN. Mr. Chairman, I do not believe I have. I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Minnesota have any further requests for time?

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask that the Clerk read.

The Clerk read the bill for amendment, as follows:

*Resolved, etc.—*

DEPARTMENT OF AGRICULTURE  
COMMODITY CREDIT CORPORATION

The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by canceling notes issued by the Corporation to the Secretary of the Treasury (1) in the amount of \$609,930,933 for the capital impairment determined by the appraisal of June 30, 1953, pursuant to sections 1 and 4 of the act of March 8, 1938, as amended (15 U. S. C. 713a-1, 4); (2) in the amount of \$129,553,795 for the net costs during the fiscal year 1953 (including interest through the date of enactment hereof) under the International Wheat Agreement Act of 1949 (7 U. S. C. 1641-1642); and (3) in the amount of \$2,064,060 for the funds transferred and expenses incurred through the fiscal year 1953 (including interest through the date of



enactment hereof) under the head "Eradication of foot-and-mouth and other contagious diseases of animals and poultry" pursuant to authority granted in the Department of Agriculture Appropriation Act, 1953.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: After line 4, add the following:

"That the Congress hereby finds and declares that the farm price support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and governments have the inherent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

"SEC. 2. (a) The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market: *Provided, however,* That to prevent spoilage or deterioration any part of such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

"SEC. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale, shall be offered for sale for use outside the continental United States, its Territories, and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States."

Mr. HORAN. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Mississippi is not in order in that it is not germane to the joint resolution.

The joint resolution has only one proposition in it. It authorizes the Secretary of the Treasury to cancel the notes of the Commodity Credit Corporation and restore the capital structure of the Corporation in the amount of its capital impairment as determined by appraisal on June 30, 1953, in accord with law.

The amendment seeks to introduce proposals which not only are not included in the joint resolution but are foreign to the basic act establishing the Commodity Credit Corporation. In effect it is an amendment of the law establishing the Corporation and therefore is in no sense germane to the proposition included in the joint resolution.

Mr. WHITTEN. Mr. Chairman, will the gentleman reserve his point of order so that I may make a statement?

Mr. HORAN. Mr. Chairman, I will reserve the point of order so the gentleman from Mississippi may speak.

Mr. WHITTEN. Mr. Chairman, I concede the point which the gentleman makes. We are dealing here with the overall operations of the Commodity Credit Corporation. We are having to replace approximately \$741 million, which it is said the Commodity Credit Corporation has had its capital stock depleted. Yet this action today is necessary because of the fact that while the Corporation has gone out and invested in farm commodities as directed by the law, yet those commodities have not been offered on the world market nor have they been sold. Had they been offered and had they been sold, the overall operations of the Commodity Credit Corporation would be much, much less expensive and your annual or your monthly warehousing costs would be greatly reduced. Not only that, but you would have charged up to the farm program and to the country a much smaller percentage than you now have charged up to the price support system. I have offered this amendment, which I have today introduced as a bill, to point up the basic weaknesses as I see it in the present farm program, and that is the fact that the American nation is not offering these commodities for use but is storing them up in warehouses and paying an annual charge, and there can be only two reasons for so doing. One is that they ought to give the foreign markets to other nations so that their agriculture can prosper and so that ours will not. The only other reason for not offering these commodities for sale in foreign markets is that the very backup of these commodities will give them a bigger hammer to strike at the present farm program. Lots of folks are against it. They have been against it from the start. One of the best ways to break it in half is to buy these commodities, or advance money on them, put the commodities in warehouses, and give the farmers no chance to offer them on the markets of the world. There they have got their greatest weapon.

This amendment points out exactly why it is that your farm program is not working better than it should. If it be true that we do not need to offer these commodities on the markets of the world on the same terms and conditions that other agricultural countries offer their commodities, that is something that has to do with national defense and should be charged up to national defense and not against the farmer.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read the amendment as follows:

Amendment offered by Mr. WHITTEN: Before the semicolon, line 5, add the following: "*Provided,* commodities of at least an equal value are offered for sale by the Commodity Credit Corporation from its stocks at prevailing or competitive world prices, for use outside the continental United States, its possessions or Territories."

Mr. HORAN. Mr. Chairman, I am constrained to make the point of order

against this amendment on the same grounds as against the amendment previously ordered.

Mr. WHITTEN. Mr. Chairman, I should like to be heard on the point of order.

This resolution before us today authorizes the Secretary of the Treasury to cancel certain notes of the Commodity Credit Corporation in the amount of \$741 million.

The amendment which I have offered would authorize that action only under certain conditions. Those conditions are that commodities of an equal value be offered in world markets at prevailing prices, by the Commodity Credit Corporation. I respectfully submit the amendment is germane.

To carry the matter further that I have tried to raise here, I should like to point out that this says to the Commodity Credit Corporation, "You have reached your ceiling, but you are holding onto the commodities into which you have put this money. If you will offer for sale to the markets of the world such an amount of those commodities as is equal to the notes you are asking here to have canceled, then the Secretary of the Treasury is authorized to cancel those notes."

So I say that in the resolution we direct the Secretary of the Treasury to cancel notes in this amount provided that commodities of equal value are offered on the markets of the world. We are just granting the same authority, but we are granting it on condition.

Mr. HORAN. Mr. Chairman, I am compelled to make the point again that the amendment just read goes beyond the authority inherent in the joint resolution and therefore is subject to a point of order.

The CHAIRMAN. The Chair is ready to rule.

In the opinion of the Chair, the amendment is not germane and the Chair sustains the point of order.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think before this debate closes the RECORD ought to show something about the loans in commercial banks that have been made over the past number of years, which matter has been so ably expounded by one of the Members in opposition to this resolution. The gentleman from Texas has been careful not to mention that past administrations consistently followed this same policy for years past.

He would have one think that we are adopting a new policy, that we are almost committing a crime in favor of the big interests of this country, the banking interests of this country. Why does he not give all the facts? There is nothing irregular about this procedure.

Of course, most of us in the House understand well his specious arguments, but the public might be deceived. For that reason I asked for this time to make this one point: that this is not a new route of subterfuge on the part of those of us who are supporting this resolution. It is a regular procedure. We are only following a pattern that we have learned to follow from the past administration for the last number of



years; the pattern of diffusing some money out into the commercial banks of the Nation.

May I say to the Members of this House that in 1945 \$24 billion had been placed by the prior administration with these thousands of commercial banks in this country, and I never heard the gentleman from Texas or anyone make an argument against the policy at that time, that we were borrowing money at double the interest rate we should pay, or at exorbitant rates of interest in order to favor the banking interests of this country. Everyone knows, and this will be confirmed by the Treasury Department, that for years 6 or 7 billions of this kind of money have been distributed by the administrations among the commercial banks of this country. That was the ordinary plan and the ordinary procedure at that time. Why so violently object to some three billion dollars now on deposit in these same banks? It is a hollow argument.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HUNTER. Is it not true that for years it has been the policy of the Commodity Credit Corporation in connection with this price-support program to follow this method? This is nothing new; it is a policy that has been carried on for a number of years.

Mr. VURSELL. Certainly it is nothing new. We in the Congress have brought this situation about; it is an obligation that we placed upon the Commodity Credit Corporation, and certainly we should stand up and say that we will protect the financial solvency of this country and not place the Commodity Credit Corporation in a position where they fail in honoring the drafts that come in against them. Should that take place it would hurt the entire credit of this Nation. Let us be, all of us, for our country first and try if we can in these critical times to solve these problems as they should be solved, face up to them like men honestly and sensibly and do our duty.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

#### SHOCKING ATTITUDE OF SECRETARY OF TREASURY

Mr. Chairman, I am disturbed about the attitude of the Secretary of the Treasury. He seems to have the idea that he must cater to the banks in order to get them to buy Government bonds, that the Government must in some way favor the banks at all times in order to get them to buy Government bonds. I regret very much that he has that opinion. The truth is that the best way in the world to sell bonds is first to individuals who have actual money, genuine savings. There is where we should place every bond it is possible to place. When you have exhausted that source, then the insurance companies and the surplus funds of corporations and business firms and industries should be called upon. They should come in and invest their unused funds in United States Government bonds; and then only should the banks be permitted to invest in Government bonds. I have gone

along with the theory for years that we should permit the banks to have a lot of Government bonds—up to a point. I favor a sound banking system, I believe in a good privately owned sound profitable banking system, and for that reason I have gone along with it. But this idea of the Secretary of the Treasury that we have got to sort of favor these banks to get them to buy bonds is wrong; we do not have to. The Federal Reserve Banks can buy all the bonds that the private commercial banking system has today. They can buy every one of them. We do not have to go to the private banking system to sell bonds unless we just want to give them that money. We can sell them to the 12 Federal Reserve Banks. We do not have to depend on the private commercial banks for one penny of bond sales, not one penny.

I am going to read a sensational statement, something that is startling. I heard about it the 1st of August last year and did not believe it, it was so startling and so sensational. But I checked on it last August before I left here to go to Texas and upon my responsibility as a Member of Congress I say it is true.

#### STARTLING ANSWER OF SECRETARY OF TREASURY

I will read it to you. A Member of Congress, while the increase of the debt limit was under consideration, asked the Secretary of the Treasury this question:

We have to keep these balances in the bank upon which they pay no interest and on every dollar they loan the United States Government we pay them interest on it. We do not have to bribe them or subsidize them to buy Government bonds, do we?

That is the question a Member of the United States Congress asked the Secretary of the Treasury. Do you know what his answer was?

Secretary HUMPHREY. Yes; we do.

Three words. "Yes; we do."

I say to you upon my responsibility as a Member of Congress that question was asked and that reply was given.

So I say that the Secretary of the Treasury is going too far if he believes we have got to bribe or subsidize banks in order to sell Government bonds. I do not charge that he means to corruptly bribe the banks. It is fundamentally wrong and fallacious. We can sell all the Government bonds we want to sell after we have exhausted the market where savings are invested, where endowment funds are invested, where the social-security fund is invested, as well as other funds, life insurance funds, funds of corporations, and the unused funds of individual business and industrial concerns. We can sell them to the 12 Federal Reserve banks just as safely and without any dislocation or adverse effect upon our economy, as by selling them to private commercial banks. Incidentally the taxpayers could save a billion or two a year in interest on the public debt.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HORAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I made points of order against amendments offered by the gentleman from Mississippi. I want to assure the Members of the House and my colleague from Mississippi that I was not necessarily opposing the merits of his argument. But I did feel that his amendments were far-reaching and that it was legislation on an appropriation bill.

On yesterday I discussed the matter of foreign markets with the Secretary of Agriculture himself and he assured me of his interest in achieving real progress in that field. I have also spoken with the gentleman from Kansas [Mr. HOPE], chairman of the Committee on Agriculture. I know that committee is working on legislation to achieve what was included in the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

Shortly we are to have a report from the Randall Commission on foreign trade. I think probably we will be better off if we go about this matter in an orderly way and not through legislation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I appreciate the statement of the gentleman from Washington. May I say that I was not surprised at the ruling or that the point was to be made. I understood it would be made, not that I was agreeable to having it made. I would like to have had my way about it because I think it is vital.

This problem goes deeper than the Secretary of Agriculture, whoever he may be, Democrat or Republican. I have been on the Appropriations Committee for quite a long time and I have dealt with this farm program for a long time. Any time that you have a farm program under which you have a system of supports that after you support commodities and put them into the hands of the Government and they are bottled up within the United States because of the opposition of the State Department, the Commerce Department and other branches of the Government other than the Department of Agriculture, you invite trouble, cause the Government to be out much money that could be recovered. Any time you use that system to keep such commodities from following normal channels of trade in the world markets it can only have the effect of increasing tremendously the cost to the American people. It can only seriously endanger the farm program, and the major problem is that those that stifle and hold up the offering of these American-produced commodities to the world are not in the Department of Agriculture, but they are in other Departments of this Government. Now, they can make a very sound argument, some of them, if you do not look behind it, as to why our international relationship at the present moment is not what it should be under these conditions, and that that might cause us not to want to do this, that or the other. In most cases I think they are wrong about it. But, if they are right, and if these commodities are held in our own country at 100 cents on the



dollar cost to the American people, with the threat that it offers to our whole price support system, if it is held here for national defense, international relationship, foreign aid, or whatever it is, it should be so tagged, so identified, and they should be held responsible for it. As it now is, the farmer has to carry the load from letters that are in the press about what the farm program is costing, and it is costing four times as much as it would if they would let us sell.

Now, to answer some questions that were raised on the floor from the city districts. It is also said that if the farmer would just give these commodities at a greatly reduced price that a whole lot more of the commodities would be consumed. For the last month I have been driving up and down Independence Avenue, seeing hundreds of new 1953 model Chevrolet automobiles on parking lots, with apparently no buyers; brand new cars belonging to one of the local agencies. If that agency wanted to sell all of these automobiles they are not selling very well right now, and the same is true of refrigerators and other appliances, if they overlooked minimum wages they have to pay, if they overlooked the wage rates that come under contracts, if they overlooked the interest rates that they have to pay and the dividends that they pay and ignored costs but offered them at what the rest of us can afford to pay, I could well use a new car if you could get them down low enough. Many without a car could do likewise. It is true that farm commodities would be used more quickly if they were sold below cost, but the American farmer exhausted 40 percent of the land and 80 percent of the timber when he sold in an unprotected market for what he could get, and if today we were to offer all of these commodities at cut-rate bargains on the domestic front in our own country, we could move a whole lot of them, but in the doing of it you would seriously jeopardize the future of our very high standard of living. As I have said before, the total cost of cotton in a shirt retailing for about \$4 is 20 cents and the total cost of wheat going into a loaf of bread is about 2 out of 20. If you were to cut out the entire amount that the farmer gets out of many of the commodities that you use, you would never know the difference. The cost is largely added from the time it leaves the producer's hands until it gets into the hands of the consumer. That is a matter of record.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. It seems to me in some of the debate this afternoon a point has been overlooked, that the farmer is one of the largest consuming groups we have in this country, and that the income to the farmer is an important thing. While the farmer may represent only approximately 15 percent of the population, he consumes approximately one-third of the goods.

Mr. WHITTEN. The American farmer spent last year \$24 billion making his crop. He has to get that cost back.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. RAYBURN. Along the line of the remarks of the gentleman from Minnesota, I desire to follow that up and say to the gentleman that 20 years ago there were 33 million people on the farms in this country and today there are about 28½ million, as I understand. There has never been a time in the history of America when the farm population was prosperous enough to pay their debts and have a buying power that the economy of this country has not been upon a solid basis, that labor has not been employed and business has not been good, making the things that these 28 to 30 million people buy.

Mr. WHITTEN. I thank the gentleman.

I would like to say this, if you study the income of this Nation over any 5-year period, the national income will average almost exactly 7 times the farm income. We cannot stand as a nation seven times the drop that has already happened in farm income. Every depression we have ever had was led off by a drastic break in agricultural prices. Wherever the responsibility lies, we have had that break in agricultural prices. We need to keep the situation fully as good as it is and hope we improve it. But the most serious threat, again, because we try to support the prices our farmers get, does not justify us as a nation in bottling up these commodities we do support and preventing their being offered on the markets of the world in the same way the production of other countries is offered. We need to break that logjam which is not only jeopardizing the Commodity Credit Corporation but, because of the big buildup and the fact that the Commodity Credit Corporation continues to hold these commodities, is endangering the farm price-support system, which actually, as my friend from Texas says, is the basis, is the bottom. Food, clothing, and shelter are today and will remain the first things in life. We need to keep that in mind.

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few moments ago I asked the distinguished gentleman from Texas to yield to me for a question because as a young man new in this body I was seeking information. He refused to yield, and then proceeded to quote from a letter which he suggested contained a question and the answer to it by one of my constituents.

I feel it my beholden duty to rise to speak for that constituent on this occasion because, if I understood the gentleman's quotation correctly and if I understood the feelings he desired to get from that quotation, he was indicating that the Secretary of the Treasury of this great United States was willing to take the position that we, the Government of the United States, had to bribe any part of this great country of ours. I consider this to be a reflection not only upon our country but upon that distinguished gentleman.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I will be glad to yield.

Mr. PATMAN. I do not intend any reflection upon him as an individual, but it is the system that is being used, which he has adopted, of favoring and catering to the banks, expecting them to buy Government bonds because of that, when I say it is not necessary.

Mr. OLIVER P. BOLTON. I am glad to have the gentleman take that position. When I originally rose to my feet I rose for two purposes: First, to comment on the fact that when I first listened to the gentleman expound upon the fiscal policies of this country with respect to its bonds, he was taking the position that raising the interest rate on the bonds was a calamitous move for our fiscal policy, yet I heard him this afternoon indicate that we should do all we could to urge private investors, such as private individuals and insurance companies, to purchase bonds, not because the Government was forcing them to, not because political pressure was being extended, but because we were offering them better savings.

The thought occurred to me that the figures which I believe I have seen recently indicate that personal payroll savings purchases of bonds and other individual purchases of bonds today are higher than they have ever been. I intended to ask the gentleman how he could put those two statements together.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. PATMAN. The investors are putting their money into Government bonds as they should. That is where the Government should get its money, and it should be attractive for them. In fact, if it were possible to do so, I would give the genuine savers a better interest rate, but I would not give the people who just create the money on the books of the bank this increased interest rate. The genuine savers should have an increased interest rate. I would not object to that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield.

Mr. HALLECK. Of course, the gentleman is correct. More individuals are buying and there is a very simple reason for it. It is that the buyer today under the present policies of our Government realizes and knows that the dollar he puts in today will in the future have about the same purchasing power that it had when he put the dollar in. That is the real incentive. It is an incentive that too often in the past has not been with us because the investor, the person whom we asked to buy bonds realized the policies of the Government were such as would one day so diminish the value of the dollar that he put in that he could not get a comparable return. As I say, it is to the credit of this administration under whose policies we are presently operating that the currency has been stabilized and hundreds of individual purchasers are coming into the market as they should.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?



Mr. OLIVER P. BOLTON. I yield.

Mr. PATMAN. May I state to the gentleman that the dollar is worth less today than it was a year ago. That answers the gentleman's argument.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, pursuant to House Resolution 417, he reported the joint resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. GREEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GREEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-one Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 323, nays 27, not voting 84, as follows:

#### [Roll No. 4]

#### YEAS—323

Adair	Bowler	Corbett
Alexander	Boykin	Crosser
Allen, Calif.	Bray	Crumpacker
Allen, Ill.	Brooks, Tex.	Cunningham
Andersen,	Brown, Ga.	Curtis, Mass.
H. Carl	Brown, Ohio	Curtis, Mo.
Andresen,	Brownson	Curtis, Nebr.
August H.	Broyhill	Davis, Ga.
Andrews	Budge	Davis, Tenn.
Angell	Burdick	Davis, Wis.
Arends	Burleson	Dawson, Utah
Aspinall	Busbey	Deane
Auchincloss	Bush	Dempsey
Ayres	Byrd	Derounian
Bailey	Byrnes, Wis.	Devereux
Baker	Camp	D'Ewart
Barden	Canfield	Dies
Bates	Cannon	Dodd
Beamer	Carlyle	Dollinger
Bender	Carnahan	Dolliver
Bennett, Fla.	Carrigg	Dondero
Bennett, Mich.	Cederberg	Dorn, N. Y.
Bentley	Celler	Dowdy
Berry	Chatham	Doyle
Betts	Chenoweth	Durham
Bishop	Chiperfield	Edmondson
Blatnik	Church	Elliott
Bolling	Clardy	Ellsworth
Bolton,	Clevenger	Engle
Frances P.	Cole, Mo.	Evins
Bolton,	Cole, N. Y.	Fallon
Oliver P.	Colmer	Feighan
Bouin	Condon	Fenton
Bonner	Coon	Fernandez
Bow	Cooper	Fine

Fisher	Long
Ford	Lucas
Forrester	McCarthy
Fountain	McConnell
Frazier	McCulloch
Frelinghuysen	McDonough
Gary	McGregor
Gavin	McVey
Gentry	Mack, Ill.
George	Mack, Wash.
Golden	Madden
Goodwin	Magnuson
Gordon	Mahon
Gregory	Mailliard
Gross	Marshall
Gubser	Martin, Iowa
Gwinn	Matthews
Hagen, Calif.	Meader
Hagen, Minn.	Merrill
Haley	Metcalf
Halleck	Miller, Calif.
Hand	Miller, Kans.
Harden	Miller, Md.
Hardy	Miller, Nebr.
Harris	Miller, N. Y.
Harrison, Va.	Mills
Harrison, Wyo.	Mollohan
Hays, Ark.	Morano
Hays, Ohio	Morgan
Heseltun	Moss
Hess	Moulder
Hiestand	Mumma
Hillelson	Natcher
Hillings	Neal
Hinsaw	Nelson
Hoffman, Ill.	Nicholson
Hoffman, Mich.	Norblad
Holmes	Norrell
Holt	Oakman
Horan	O'Brien, Ill.
Hosmer	O'Brien, N. Y.
Howell	O'Hara, Ill.
Hruska	O'Hara, Minn.
Hunter	Osmers
Hyde	Ostertag
Ikard	Passman
Jackson	Patten
James	Patterson
Jarman	Pelly
Jenkins	Perkins
Jensen	Pfost
Johnson, Calif.	Phillips
Johnson, Wis.	Pillion
Jonas, Ill.	Poff
Jonas, N. C.	Preston
Jones, Ala.	Price
Jones, N. C.	Priest
Judd	Prouty
Karsten, Mo.	Rabaut
Kearney	Radwan
Kearns	Rains
Kee	Ray
Kelley, Pa.	Rayburn
Kersten, Wis.	Reams
Kilburn	Reed, Ill.
Kilday	Reed, N. Y.
King, Calif.	Rees, Kans.
Kluczynski	Regan
Knox	Rhodes, Ariz.
Krueger	Rhodes, Pa.
Laird	Riehlman
Landrum	Riley
Lane	Rivers
LeCompte	Roberts
Lipscomb	Robeson, Va.

#### NAYS—27

Barrett	Fogarty	Keating
Bosch	Friedel	Lantaff
Buchanan	Fulton	Latham
Byrne, Pa.	Garmatz	Machrowicz
Cotton	Granahan	Mason
Coudert	Green	O'Brien, Mich.
Cretella	Holifield	Patman
Eberhart	Javits	Thomas
Fino	Kean	Wainwright

#### NOT VOTING—84

Abbitt	Chelf	Hale
Abernethy	Chudoff	Harrison, Nebr.
Addonizio	Cooley	Hart
Albert	Dague	Harvey
Ashmore	Dawson, Ill.	Hébert
Battle	Delaney	Heller
Becker	Dingell	Herlong
Belcher	Donohue	Hill
Bentsen	Donovan	Hoeven
Boggs	Dorn, S. C.	Holtzman
Boland	Forand	Hope
Bramblett	Gamble	Jones, Mo.
Brooks, La.	Gathings	Kelly, N. Y.
Buckley	Graham	Keogh
Campbell	Grant	King, Pa.

Kirwan	O'Konski	Simpson, Pa.
Klein	O'Neill	Smith, Kans.
Lanham	Philbin	Staggers
Lesinski	Pilcher	Sutton
Lovre	Poage	Taber
Lyle	Polk	Taylor
McCormack	Powell	Thompson, Tex.
McIntire	Reece, Tenn.	Warburton
McMillan	Richards	Weichel
Merrow	Rodino	Wheeler
Morrison	Scott	Williams, N. Y.
Multer	Sieminski	Wilson, Ind.
Murray	Simpson, Ill.	Yorty

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Taber with Mr. McCormack.  
Mr. Taylor with Mr. Morrison.  
Mr. Simpson of Pennsylvania with Mr. Cooley.  
Mr. Simpson of Illinois with Mr. Herlong.  
Mr. Scott with Mr. Lanham.  
Mr. Becker with Mr. Abernethy.  
Mr. Belcher with Mr. Thompson of Texas.  
Mr. Graham with Mr. Addonizio.  
Mr. Gamble with Mr. Rodino.  
Mr. Reece of Tennessee with Mr. Yorty.  
Mr. Wilson of Indiana with Mr. Jones of Missouri.  
Mr. Weichel with Mr. Grant.  
Mr. Hope with Mr. Hébert.  
Mr. Hoeven with Mr. Boggs.  
Mr. Smith of Kansas with Mr. Delaney.  
Mr. Williams of New York with Mr. Forand.  
Mr. Merrow with Mr. Sutton.  
Mr. McIntire with Mr. Holtzman.  
Mr. Dague with Mr. Philbin.  
Mr. Bramblett with Mr. Donohue.  
Mr. Hill with Mr. Boland.  
Mr. Warburton with Mr. O'Neill.  
Mr. Lovre with Mr. Keogh.  
Mr. Hale with Mr. Klein.  
Mr. Harrison of Nebraska with Mrs. Kelly of New York.  
Mr. Harvey with Mr. Multer.  
Mr. King of Pennsylvania with Mr. Heller.  
Mr. O'Konski with Mr. Buckley.

Mr. BOSCH changed his vote from "yea" to "nay."

Mr. LATHAM changed his vote from "yea" to "nay."

Mr. JAVITS changed his vote from "yea" to "nay."

Mr. FRIEDEL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### REPUBLICAN CONFERENCE ON THURSDAY

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, first of all, I want to announce again to Members on our side the Republican conference here tomorrow afternoon.

#### JOINT MEETING TO RECEIVE THE PRESIDENT OF THE REPUBLIC OF TURKEY

Mr. HALLECK. I want to call the attention of all Members to the fact that the President of Turkey will be here on Friday for a joint meeting of the House and the Senate. The President of Turkey is the President of a great, friendly, and strong power, representing people whom we respect and admire. I sincerely hope that as many of the Mem-



bers as possible will be present on next Friday to greet him and to listen to him.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I am pleased to yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, I desire to join in the wish and the hope expressed by the gentleman from Indiana [Mr. HALLECK] concerning the visit of the President of a great, free, and friendly people who will be here on next Friday. I trust that the membership will be here to show our respect and our reciprocal feeling of friendship for these people.

#### SPECIAL ORDERS GRANTED

Mr. SIKES asked and was given permission to address the House for 30 minutes on Wednesday and Thursday of next week, after the conclusion of the legislative business of the day and any other special orders heretofore granted.

Mr. OAKMAN asked and was given permission to address the House for 5 minutes tomorrow, January 28, after the conclusion of the legislative business of the day and any other special orders heretofore granted.

Mr. O'HARA of Illinois asked and was given permission to address the House on the anniversary of the sinking of the *Maine*, February 15, for 1 hour, after the close of the legislative business of the day and any special orders heretofore granted.

#### USE OF COUNTERPART FUNDS

(Mr. LECOMPTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include a letter and other extraneous matter.)

Mr. LECOMPTE. Mr. Speaker, for several months there have been requests for information about the counterpart funds and how the counterpart funds have been expended, particularly with reference to committees investigating conditions abroad, and how much money has been used of those counterpart funds by those committees. I have had requests for such information from my colleagues, from private citizens throughout the country, from newspapermen and from radio commentators.

Mr. Speaker, at this time I will include as part of my remarks a statement with respect to the history of the counterpart funds, a letter from the Assistant Secretary of State listing the names of the countries in which counterpart funds exist, and a series of tables telling about the expenditure of counterpart funds during the period since the Congress adjourned in August.

Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, as amended, there has been created in each participating country in Europe receiving economic or defense-support assistance under that act a special local currency account. Analogous arrangements have generally been provided for in other areas in which the Foreign Operations Administration provides such aid, although variations exist, particularly in economically underdeveloped areas,

where Congress has provided for flexibility in the application of the Economic Cooperation Act in order to carry out the objectives of different types of programs. In countries where the typical European pattern prevails the recipient country deposits in its special account amounts of local currency commensurate in value to the dollar grant aid it receives. These deposits, which are called counterpart funds, are used in general by the depositing country to carry out mutual security objectives agreed upon jointly with the United States. In such countries there is reserved for United States use at least 5 percent of these counterpart funds, and in cases where section 115 (h) of the Economic Cooperation Act applies, 10 percent has, since 1952, been reserved for such use.

The United States portion of counterpart funds has been used to defray certain costs payable in local currencies, including administrative expenses of the foreign aid program, certain expenses connected with technical assistance and informational activities, and the cost of acquiring strategic materials or developing their production. Funds not required for these and related mutual security purposes were made available for purchase by other United States Government agencies for use in meeting their local currency costs.

In addition, section 527 of the Mutual Security Act of 1951—Public Law 165, 82d Congress—amended section 115 (h) of the Economic Cooperation Act of 1948 to permit the use of these funds for "local currency requirements of appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946." Under this authority, these foreign credits were made available for travel of congressional committees without dollar reimbursement to the Treasury, and supplemented other funds available for such travel, including appropriations to the various executive departments for "examination of estimates in the field."

In 1952, however, Congress enacted a provision—section 1415 of the Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952—requiring that after June 30, 1953, such foreign credits could not be utilized except as provided for in appropriation acts. It was generally understood that, as was ultimately provided in section 1313 of the Supplemental Appropriation Act, 1954—Public Law 207, 83d Congress, approved August 7, 1953—section 1415 would be carried out by requirements for the payment of dollars to the Treasury for the use of such foreign credits. Pursuant to this policy, the executive branch proposed, in section 706 (f) (2) of the Mutual Security Act of 1953—Public Law 118, 83d Congress, approved July 16, 1953—that the Mutual Security Act of 1951 be amended by adding a new section 548, providing for the appropriation of additional dollars to cover the expenditure of foreign currencies.

While this provision was enacted, the Congress inserted, by section 708 (c) of the Mutual Security Act of 1953, a special waiver in section 115 (h) of the

Economic Cooperation Act, providing that the United States share of the counterpart fund could continue to be used for the expenses of congressional committees "without regard to section 1415 of the Supplemental Appropriation Act, 1953." Foreign credits, therefore, could continue to be available for travel of congressional committees without dollar reimbursement to the Treasury.

Subsequent to receipt of requests from various Members of Congress for authorization to use counterpart funds, a meeting was arranged by representatives from Treasury, Foreign Operations Administration, and the Department of State. On August 4, 1953 an agreement was arrived at by these agencies whereby the Foreign Operations Administration would transfer from the counterpart funds under its control sums which would be deposited in a special account, No. 19 FT 561, which fund would be disbursed, administered, and accounted for by State. It was further agreed that, upon request by this Department, additional sums would be transferred to this fund, as required and when balances became low.

The procedure set up by this Department required an authorization in writing, signed by the chairman of an appropriate congressional committee, in order for the Department to authorize the use of counterpart by any Member. Upon receipt of such written authorization from the committee chairman, the Department would then set up a credit in fund 19 FT 561 in the various countries which the Member indicated he contemplated visiting. Subsequently, the disbursing officers at the posts which the Member contemplated visiting would be notified to advance counterpart against receipt signed by the Member authorized or a committee representative traveling with him, who was required to be authorized in writing to sign for counterpart on behalf of the member or the committee.

It was agreed by representatives of Treasury, Foreign Operations Administration, and State that pursuant to provisions of law no detailed accounting would be required for sums drawn by Members of Congress. In order to cover his expenditures, a disbursing officer was required only to submit the voucher signed by the Member or the duly authorized agent.

In some instances travel expenses were covered by committee funds. In other instances, and at the request of the committee chairman, the Department authorized the payment of certain congressional travel expenses, subject to reimbursement from committee funds.

In many instances, Government travel requests were issued to the various carriers to cover the cost of travel by Members authorized to use counterpart funds. These TR's were, in many cases, payable in local currency through a draft on various disbursing officers. Because of the administrative procedure whereby these TR's had to be transmitted to the carrier, then forwarded by the carrier to their appropriate local office for presentation to the disbursing officer for payment, a considerable delay resulted. Therefore, it will probably be several









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued January 29, 1954

For actions of January 28, 1954

83rd-2nd, No. 16.

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: Senate committee reported measure to restore CCC's capital impairment, etc. Sen. Maybank spoke favoring 90% price supports. Both Houses received President's Economic Report.

## SENATE

1. COMMODITY CREDIT CORPORATION. The Appropriations Committee reported without amendment H. J. Res. 358, to discharge CCC indebtedness to the Treasury in the amount of \$741,548,788 (S. Rept. 889) (p. 888).
2. ECONOMIC REPORT. Both Houses received the President's Economic Report (H. Doc. 289) (p. 888, 931). The report repeats the recommendations which were made in the recent agricultural message and then contains a statement which is quoted at the end of this Digest.
3. COFFEE PRICES. The "Daily Digest" states that Sens. Beall (chairman), Bush, Payne, Frear, and Douglas have been selected to membership on a subcommittee of the Banking and Currency Committee to investigate recent coffee price increases (p. D73-4).
4. TREATIES. Continued debate on S. J. Res. 1, proposing a constitutional amendment to restrict the President's treaty power (pp. 891-8, 899-927).
5. PRICE SUPPORTS. Sen. Maybank spoke favoring 90% price supports saying that "so far as cotton is concerned" CCC operations "have earned \$300 million" for the taxpayer (p. 890).
6. PERSONNEL. Sen. Williams discussed and inserted a letter from this Department explaining certain facts relative to the employment of a person who was successful in obtaining a substantial retirement annuity after making a very small contribution to the retirement fund (p. 898).

## HOUSE

7. COFFEE PRICES. Rep. Gross claimed that the purchase of 61 million pounds of coffee in 1949 for foreign aid purposes "provided the lever by which the speculators originally pried the lid off coffee prices" (pp. 930-31).
8. COMMODITY CREDIT CORPORATION. Rep. Patman claimed that the offer for sale by RFC or CCC of their securities and notes to private commercial banks has resulted in these banks being "loaned up" and unable to meet the needs of private citi-

zens (pp. 932-33).

#### ITEMS IN APPENDIX

9. TREATIES. Sen. Butler inserted an address in favor of, and Sen. Kefauver and Rep. Multer inserted articles opposing, the Bricker amendment to limit the President's treaty power (pp. A651-2, A653-4, A687-90).
10. FORESTS. Rep. Rogers inserted a Denver Post editorial claiming that S. 2548, providing for orderly use of national forest grazing lands, was "a scheme to put publicly owned forests in pawn, with a relatively few (but influential) stock-growers playing the part of pawnbrokers" (pp. A656-7).
11. TVA. Rep. Jones (Ala.) inserted a newspaper article claiming that the President has been convinced that TVA ought to pay interest on money appropriated by Congress and opposing this view (pp. A662-63).
12. MONOPOLY. Rep. Machrowicz inserted a Michigan CIO resolution urging Congress to investigate and combat "all forms of monopoly control of the necessities of life" (p. A663).
13. FARM COMMUNITY. Rep. Thornberry inserted a Texas Industry article discussing the development of Taylor, Tex., including its cotton economy and soil conservation results (pp. A680-3).
14. POSTAL RATES. Rep. Hagen inserted a newspaper editorial opposing the proposed second class mail increase as a blow to many smaller publications which would "have a pronounce effect on the entire national economy" (p. A690).
15. FOREIGN TRADE. Rep. Bailey inserted a Washington Post article "Randall Plan Seen in Britain as a Boon to World Trade" (p. A656).

#### HOUSE (continued)

16. FOREIGN ECONOMIC POLICY. H. Doc. 290, the report of the Commission on Foreign Economic Policy, includes the following recommendations:
  - That economic aid on a grant basis be terminated as soon as possible.
  - That the technical cooperation program be pressed forward vigorously, but that it not become a "big money" program and not involve capital investments.
  - That during the life of the International Wheat Agreement its operation be kept under critical review and that its termination in 1956 be considered.
  - That, in the application of import controls on farm products, the level of those restrictions be set with full regard for the effects on overseas borrowing power and the possibility of retaliation.
  - That "inflexible price-support programs which result in fixed prices, open or concealed export subsidies, import quotas at home and abroad, excessive use of tariffs here and abroad, exchange restrictions, and state trading" be gradually eliminated as parts of agricultural policy.
  - That the Buy American Act, etc., be amended to authorize the President to exempt foreign bidders that treat our bidders on an equal basis with their own nationals.
  - That Congress direct the Tariff Commission to study tariff schedules in order to frame proposals for simplification of commodity definitions and rate structures.



# Calendar No. 889

83D CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ No. 889

## DEPARTMENT OF AGRICULTURE

### COMMODITY CREDIT CORPORATION

JANUARY 28 (legislative day, JANUARY 22), 1954.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the following

## REPORT

< [To accompany H. J. Res. 358]

The Committee on Appropriations, to whom was referred House Joint Resolution 358, report the same to the Senate with the recommendation that the joint resolution be agreed to.

This resolution provides for the cancellation of notes issued by the Commodity Credit Corporation to the Treasury as follows:

CCC capital impairment.....	\$609, 930, 933
International Wheat Agreement.....	129, 553, 795
Eradication of foot-and-mouth disease.....	2, 064, 060
Total.....	741, 548, 788

In reporting this resolution, without amendment, the committee considered that latest estimates indicate the Commodity Credit Corporation will reach its present borrowing limit of \$6.75 billion in the very near future. Immediate enactment of the accompanying joint resolution is necessary to assure that the Corporation can continue to meet its statutory responsibilities under the price support program.





Calendar No. 889

83<sup>d</sup> CONGRESS

2<sup>d</sup> SESSION

# H. J. RES. 358

[Report No. 889]

## IN THE SENATE OF THE UNITED STATES

JANUARY 27 (legislative day, JANUARY 22), 1954

Read twice and referred to the Committee on Appropriations

JANUARY 28 (legislative day, JANUARY 22), 1954

Reported by Mr. BRIDGES, without amendment

## JOINT RESOLUTION

To discharge indebtedness of the Commodity Credit Corporation.

1 *Resolved by the Senate and House of Representatives*  
2 *of the United States of America in Congress assembled,*

### DEPARTMENT OF AGRICULTURE

#### COMMODITY CREDIT CORPORATION

3 The Secretary of the Treasury is hereby authorized and  
4 directed to discharge indebtedness of the Commodity Credit  
5 Corporation to the Secretary of the Treasury by cancelling  
6 notes issued by the Corporation to the Secretary of the Treas-  
7 ury (1) in the amount of \$609,930,933 for the capital  
8 impairment determined by the appraisal of June 30, 1953,  
9 pursuant to sections 1 and 4 of the Act of March 8, 1938,  
10 as amended (15 U. S. C. 713a-1, 4); (2) in the amount

1 of \$129,553,795 for the net costs during the fiscal year  
 2 1953 (including interest through the date of enactment  
 3 hereof) under the International Wheat Agreement Act  
 4 of 1949 (7 U. S. C. 1641-1642); and (3) in the amount  
 5 of \$2,064,060 for the funds transferred and expenses incurred  
 6 through the fiscal year 1953 (including interest through  
 7 the date of enactment hereof) under the head "Eradication  
 8 of foot-and-mouth and other contagious diseases of animals  
 9 and poultry" pursuant to authority granted in the Depart-  
 10 ment of Agriculture Appropriation Act, 1953.

Passed the House of Representatives January 27, 1954.

**Attest:**

**LYLE O. SNADER,**

*Clerk.*



Report of the

Committee on the

Education

of the

State of

Massachusetts

for the

Year

1888

W. H. B. 322

1888

83<sup>d</sup> CONGRESS  
2<sup>d</sup> Session

**H. J. RES. 358**

[Report No. 889]

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**JOINT RESOLUTION**

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To discharge indebtedness of the Commodity  
Credit Corporation.

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JANUARY 27 (legislative day, JANUARY 22), 1954

Read twice and referred to the Committee on  
Appropriations

JANUARY 28 (legislative day, JANUARY 22), 1954

Reported without amendment









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 1, 1954

For actions of January 29, 1954

83rd-2nd, No. 17

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: Senate discussed measure to restore CCC's capital impairment, etc., and agreed to consider this measure today.

## SENATE

1. COMMODITY CREDIT CORPORATION. Discussed H. J. Res. 358, to discharge CCC indebtedness to the Treasury in the amount of \$741,548,788, and agreed to consider this measure today. Sens. Aiken, Anderson, Knowland, Williams, Ellender, Morse, and others debated the urgency for consideration of this measure. (pp. 943, 953-67.)
2. CATTLE INDUSTRY. Sen. Aiken inserted N. K. Carnes' (president, Central Cooperative Livestock Marketing Association of St. Paul, Minn.) address before the National Cattlemen's Association discussing the background to the present livestock situation and proposed suggestions to improve the situation, stating that "The leaders in the livestock and meat industry...do not believe that direct price supports should be applied to live animals because they know very well, from past experience, that they are not practical and will not work" (pp. 967-70).
3. TREATIES. Continued debate on S. J. Res. 1, proposing a constitutional amendment to restrict the President's treaty power (pp. 959, 970-86, 990-95).
4. FOREIGN TRADE. Sen. Malone criticized American foreign policy for the past 20 years, including the foreign aid program, technical assistance and the trade agreements acts, claiming that the Trade Agreements Act of 1934 was "primarily responsible for bringing the Nation to its knees" (pp. 986-90).
5. RECESSED until Mon., Feb. 1 (p. 995). Legislative Program: Mon., H. J. Res. 358, to discharge CCC indebtedness; Tues., call of executive calendar for confirming nominations, and for remainder of week, S. J. Res. 1, amendment to limit treaty power, and perhaps S. 49, Hawaii statehood bill (p. D83).
6. ALASKA STATEHOOD. Sen. Butler inserted his statement discussing the problems being worked on in perfecting the proposed Alaska statehood bill, including the problem of "excessive reservations and withdrawals of land, mineral resources and the like by the various Federal agencies" (p. 951).



7. PERSONNEL. Sen. Lehman inserted three newspaper articles favoring a breakdown by the Administration on the 2,200 Federal employees separated from Government employment under security procedures (pp. 952-3).

HOUSE

8. COFFEE PRICES. Rep. Hosmer discussed his resolution to prevent coffee from being sold in the House wing of the Capitol Mondays, Wednesdays, and Fridays as a first step to bring the price of coffee down (p. 999).
9. EXCESS PROPERTY. Both Houses received a report from GSA on the disposition of foreign excess property for 1953 (pp. 945, 1000).
10. TRANSPORTATION. Received a Massachusetts Legislature memorial opposing passage of legislation depriving States of the power to regulate the discontinuance of railroad service in interstate commerce (p. 1000).
11. VETERANS' BENEFITS. Received a Massachusetts Legislature memorial and resolution urging Congress to enact legislation giving Korean veterans the same educational opportunities and advantages as World War II veterans (p. 1000).
12. SOCIAL SECURITY. Received a Pasadena employees petition opposing any social security legislation making mandatory the including of public employees within the social security system (p. 1001).
13. ADJOURNED until Tues., Feb. 2 (p. 1000). Legislative Program as stated by Majority Leader Halleck included: Tues., call of Consent and Private Calendars, and for balance of week, H. R. 2235, Santa Maria Project bill (p. 999).

ITEMS IN APPENDIX

14. PRICE SUPPORTS. Sen. Young inserted a Devil's Lake (N. Dak.) Daily Journal article commending him for his stand in opposing adoption of flexible price-supports (pp. A695-6).
- Sen. Anderson inserted a newspaper article by Alfred Stedman supporting the Secretary's views on flexible price supports and using the potato as an example of what damage continued high price supports can do (p. 704).
- Extension of remarks of Rep. Aspinall stating that "many who formerly denounced the Brannan Plan are of the opinion that it could conceivably be a solution to many of the present ills of this country's farm problems" and inserting a Democratic Digest article, "A Strange Romance: GOP Makes Eyes at the Brannan Plan" (pp. A721-2).
15. FARM SURPLUS. Extension of remarks by Rep. Heselton urging congressional support of the President's farm program for surplus farm products (pp. A697-98).
16. ELECTRIFICATION. Sen. Magnuson inserted 2 newspaper articles defending the record of public power, claiming that there is "room and demand in this country for both public and private power" (pp. A696-97, 699).
17. STATEHOOD. Sen. Anderson inserted a newspaper article favoring statehood for both Hawaii and Alaska at the same time (p. 708A).
18. TREATIES. Rep. Multer inserted a letter from Zecharia Chafee, Jr. discussing the law applicable to the Bricker amendment, which would restrict the President's treaty power, and Rep. Gwinn inserted several letters favoring this amendment (pp. A716, A719-20).





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 83<sup>d</sup> CONGRESS, SECOND SESSION

Vol. 100

WASHINGTON, FRIDAY, JANUARY 29, 1954

No. 17

## Senate

(Legislative day of Friday, January 22, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, beset by the perplexities of these calamitous days, with all their fury and terror, let not our strength fail nor the vision fade. As in the heat and burden of this epochal day we are called to serve the Nation and the world, lead us for Thy name's sake to the abiding springs of fresh hope and confidence for a better tomorrow, a new faith in Thy goodness and in the unrealized possibilities of Thy erring children, in spite of the stupid folly by which they have devastated the good earth which Thou hast given. May our own lives, freed of pettiness and prejudice and radiant with the good will which leaps all barriers, be open channels through which Thy saving grace may flow for the healing of the nations. We ask it in the name of the Prince of Peace. Amen.

### THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 28, 1954, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

### ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate returns to the Senate Chamber from the joint meeting with the House to hear the address of the President of Turkey, there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, for the information of the Senate, I should like to announce that the House has requested, through the Speaker of the House, that Members of the Senate be in the House Chamber at 12:15 o'clock, which means that we should leave here at 12:10. There obviously will not be time for the routine morning hour now, but, as I have suggested, we will have one immediately following the return of Senators to the Senate Chamber.

### DISCHARGE OF INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

Mr. KNOWLAND. Mr. President, I have discussed with the minority leader the desire of the chairman of the Senate Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES], that Calendar No. 889, House Joint Resolution 358, to discharge the indebtedness of the Commodity Credit Corporation, be taken up during this afternoon. I believe that copies of the joint resolution and the committee report are available. If they are not on Senators' desks at this time, the secretaries to the majority and minority will see that Senators are furnished with them when the Senate returns to its Chamber.

Mr. WILLIAMS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. Yes, I shall yield, but I may say, incidentally, that I did not see the Senator from Delaware on the floor, and I sent word to his office that it was my intention to have the joint resolution taken up this afternoon.

Mr. WILLIAMS. Before it is definitely decided that it will be taken up, I may say to the majority leader that I am awaiting certain information which I requested from the Commodity Credit Corporation, and if that does not arrive in time, I should like to have the joint resolution go over until next week. I shall discuss that with the majority leader.

Mr. KNOWLAND. I shall be glad to discuss with the Senator and with the chairman of the Committee on Appropriations the question of the deadline situation the Commodity Credit Corporation may have to meet.

Mr. BRIDGES. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from New Hampshire.

Mr. BRIDGES. I may say to the distinguished Senator from Delaware that the Committee on Appropriations took action on the joint resolution yesterday. We are told it is very essential that it be passed and be signed by the President and become law before the 31st of January, and it would have to be acted on today in order to bring about that result. I am sure the distinguished Senator knows that this matter was under discussion and consideration by the Committee on Appropriations yesterday; nevertheless, carrying out the action and the recommendation of the committee, I should like to have the joint resolution acted on today.

Mr. WILLIAMS. If the Senator from California will yield, that I might reply to the Senator from New Hampshire, I may say that yesterday, after the joint resolution had been ordered reported, I requested of the Committee on Appropriations a breakdown, and I understand that the breakdown by commodities is on the way to the Capitol at this time. The material which appears in the report does not show a breakdown of the industrial items involved in this \$741,-548,788 appropriation request.

Mr. KNOWLAND. Mr. President, if the Senator from Delaware will pardon me, we can continue this colloquy after we return to the Senate Chamber.



# CORRESPONDENCE ON TRADE RELATIONS BETWEEN THE UNITED STATES AND THE PHILIPPINES

Mr. MILLIKIN. Mr. President, at the request of the Honorable Thruston B. Morton, Assistant Secretary of State, I ask unanimous consent to have printed in the body of the RECORD a series of correspondence having to do with trade relations between the United States and the Philippines.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MAY 26, 1953.

The Honorable EUGENE D. MILLIKIN,  
Chairman, Finance Committee, United States Senate.

MY DEAR SENATOR MILLIKIN: I wish to advise you that a note from the Philippine Government of May 5 officially requested "that a joint committee be created to study and recommend a definite form of readjustment of the trade relations between our two countries." The trade relations between the United States and the Philippines are at present governed by the trade agreement of January 2, 1947, which was negotiated as an executive agreement pursuant to the terms of the Philippine Trade Act of 1946 (Public Law 371, 79th Cong.). Any revision of the trade agreement would, therefore, require appropriate legislation by the Congress.

In the past 2 years there has been a great deal of interest in the Philippines in revision of the trade agreement. The President of the Philippines, Elpidio Quirino, first gave formal expression to this desire for revision in a letter of March 7 to President Eisenhower setting forth his views as to the necessity of reexamining the trade agreement. Copies of President Quirino's letter and of President Eisenhower's reply are attached.

The Philippine Government, in connection with its note of May 5, submitted a report of a special committee of its executive branch " \* \* \* which in the opinion of this (the Philippine) Government can be used as the basis for the readjustment to present conditions of the executive agreement \* \* \*." The Philippine Government's note, together with the committee report attached to it, are now being studied by the interested agencies of this Government. No reply, other than an acknowledgment of receipt, has so far been sent to the Philippine Government.

This matter is in the exploratory stage at the present time. The Department would like, however, to discuss it with you or your committee at a later date, but prior to taking any definitive action.

Sincerely yours,

THRUSTON B. MORTON,  
Assistant Secretary.

MALACANAN PALACE,  
March 7, 1953.

MY DEAR MR. PRESIDENT: Now that the important problems facing your administration may have already received your immediate attention, allow me to submit for your consideration an important matter that affects vitally the economic stability of my country and perhaps, to an equal degree, the permanent interests of the United States in her trade relations with the Philippines. I refer to the necessity of reexamining the present United States-Philippines trade agreement.

While there are many other problems which, under the present circumstances, require our early attention for the continued beneficial relations between our two countries, I consider the readjustment of our trade relations to be of more immediate concern since by July 4, 1954, the tariff duties to be imposed by both countries under the trade agreement will alter materially and seriously the trade between them.

Many unforeseen changes and difficulties have arisen since we signed the trade agreement in 1946. In view thereof, even the United States economic survey mission that came to the Philippines in 1950 on my request stressed in its report the need of a reexamination of the agreement.

During the last 2 or 3 years we have been fully occupied with the problem of restoring the balance of our economy. We had to adopt a number of temporary corrective measures. Although so far these have worked out reasonably well, our experience has convinced us that a permanent solution can be achieved only if the trade agreement between our countries were to be revised or put up to date to suit prevailing conditions and tendencies in our economic ties.

Knowing the continued and sustained concern of the United States in the economic and political future of the Philippines and her sympathetic attitude toward the strengthening of the institutions that we have established in order to insure the full enjoyment of the freedom that she has granted us, I did not hesitate to bring this matter to your attention with the request that our two countries take such necessary and early steps as would secure a new meeting of our minds toward a more reasonable and adequate readjustment of our trade relations.

I would therefore appreciate your opportune consideration of this problem which gravely affects the economic stability of the Philippines.

Sincerely yours,

ELPIDIO QUIRINO.

THE WHITE HOUSE,  
March 16, 1953.

His Excellency ELPIDIO QUIRINO,  
President of the Philippines,  
Manila.

MY DEAR MR. PRESIDENT: I thank you for your good letter of March 7, 1953, in which you set forth your views as to the necessity of reexamining the present United States-Philippine trade agreement. In reply, I am pleased to inform you that the Government of the United States stands ready now, as in the past, to give prompt and sympathetic consideration to any specific proposals for the revision of the present trade agreement which the Philippine Government may wish to advance.

I suggest that those proposals be communicated to Ambassador Spruance to facilitate their study by the appropriate authorities of this Government in order to determine whether they provide a basis for renegotiation of the agreement.

I am most grateful for the cordial expressions contained in your letter regarding United States-Philippine relations and I take this opportunity of assuring you of my continuing interest in the development of those relations for the mutual advantage of our two countries.

With assurances of my highest regard and personal good wishes,

Sincerely yours,

DWIGHT D. EISENHOWER.

JULY 10, 1953.

The Honorable EUGENE D. MILLIKIN,  
Chairman, Committee on Finance,  
United States Senate.

MY DEAR SENATOR MILLIKIN: Reference is made to the Department's letter of May 26, 1953, informing you of the receipt of a note dated May 5 from the Philippine Government which requested creation of a joint committee to study and recommend revisions in the agreement of 1946 on trade and related matters between the United States and the Philippines. The note made three major proposals for revision of that agreement.

After careful consultation with interested United States Government agencies regard-

ing various possible procedures for handling the Philippine request for revision, the Department decided that this Government should inform the Philippine Government, which it did on July 1, as follows:

1. As indicated in President Eisenhower's letter to President Quirino, dated March 16, the Government of the United States stands ready now, as in the past, to study any specific proposals advanced by the Philippine Government for revision of the agreement of 1946 on trade and related matters between the United States and the Philippines to determine whether such proposals provide a basis for renegotiation of the agreement.

2. Having noted the careful study given by the committees appointed by the Philippine executive branch to economic relations between the United States and the Philippines, the executive branch of the Government of the United States is now establishing a special United States executive committee to examine the three substantive proposals advanced by the Philippine Government, as well as other aspects of economic relations between the two countries.

3. In order effectively to conduct its study, the United States executive committee may find it necessary to request additional information from the Philippine Government.

4. The activities and recommendations of the executive committee on United States-Philippine economic relations will necessarily be closely correlated with those of the commission which the President has proposed be established to study the foreign economic policy of the United States.

5. Following and pursuant to the executive committee's study, a determination will be made by this Government whether in its view a basis exists for renegotiation of the agreement on trade and related matters, and the Philippine Government will be advised accordingly. Any revision of the agreement to become effective would also require action by the United States Congress.

The Department was prompted in its decision to establish an executive committee (1) by the desirability of affording the executive branch an opportunity to make a technical appraisal of the Philippine Government's proposals for revision of the agreement on trade and related matters, and (2) by the desirability of correlating any action which might be taken with respect to the agreement, with findings of the proposed commission on foreign economic policy which it is expected will be reassessing this Government's total foreign economic policy. The Department recognizes that any modification in our long-range economic relations with any country should be consistent with our overall foreign economic policy objectives.

In view of possible widespread public interest in this matter, it is suggested that it may be desirable to have copies of this letter, and our letter of May 26 on the subject, inserted in the CONGRESSIONAL RECORD.

Sincerely yours,

THRUSTON B. MORTON,  
Assistant Secretary  
(For the Secretary of State).

## JOINT MEETING OF THE TWO HOUSES — ADDRESS BY THE PRESIDENT OF TURKEY

Mr. KNOWLAND. Mr. President, I now move that the Senate stand in recess, subject to the call of the Chair, so that we may proceed as a body to the Hall of the House of Representatives, to hear the address to be delivered by the President of the Republic of Turkey.

The motion was agreed to; and (at 12 o'clock and 11 minutes p. m.) the Senate, preceded by its Secretary (J. Mark Trice), its special Deputy Sergeant at



break down the figures, it may be inferred, is that few of the 2,200 cases involve actual or suspected disloyalty, and that the total includes some perfectly routine departures. If that is the case, would it not be far better to say so frankly, giving detailed figures as to how many of the 2,200 were separated for suspected disloyalty and how many for alcoholism, perversion, etc.? The stigmatizing which worries the President has been intensified by the Administration itself, and disclosure, rather than buckpassing, is the way to correct it.

[From the New York Times of January 28, 1954]

**SECURITY-RISK PROBLEM—REPORTERS AND CONGRESSMEN VAINLY SEEK A BREAKDOWN ON 2,200 DISMISSED BY UNITED STATES**

(By James Reston)

WASHINGTON, January 27.—President Eisenhower was visibly embarrassed at his news conference today by what is becoming almost a weekly question: How about an explanation of the 2,200 security risks discharged by the Government in the last year?

For 3 months now the reporters, and more recently Congress, have been trying to get the President to explain how many of these 2,200 were dismissed as Communists, former Communists, or fellow travelers, and how many were ousted for lying, drinking, or other character defects.

At the start of this period the President referred the questioners to Herbert Brownell, Jr., the Attorney General, who referred them to Philip Young, the head of the Civil Service Commission, who referred them back to the White House. That is where they were this morning.

"We are going around in circles, are we not, sir?" asked Robert L. Riggs, of the Louisville Courier-Journal. The President smiled and said he didn't know whether there could ever be the kind of breakdown the reporters wanted.

**SYSTEM IS REVISED**

This issue illustrates the genius of Washington for making simple things complicated. When the Republicans took over here last January, they abandoned the Truman loyalty program, and adopted the system of lumping subversives or suspected Communists with congenital liars and drunkards as security risks.

The President, himself, on at least one occasion, has stated publicly that it is wrong to assume that a man dismissed as a security risk is tainted with disloyalty. Nevertheless, prominent Republicans have discussed the 2,200 security-risk dismissals in such a way as to imply that most of these persons were subversives rooted out by the Eisenhower administration after they had escaped the attention of the Truman regime.

The press has been blamed by the Civil Service Commission for failing to make clear that a security risk is not necessarily a Communist or a Communist sympathizer, but in the growing political fight over Communists in Government, the 2,200 figure has been discussed almost wholly in terms of the problem of Communist subversion.

For example, President Eisenhower, in his news conference on December 2, remarked:

"I repeat my previously expressed conviction that fear of Communists actively undermining our Government will not be an issue in the 1954 elections.

"Long before then, this administration will have made such progress in rooting them out under the security order developed by Attorney General Brownell that this can no longer be considered a serious menace. As you already know, about 1,500 persons who were security risks have already been removed. \* \* \* [The number at that time was 1,456; it was later raised to 2,200.]"

**M'CARTHY BROADCAST CITED**

Senator JOSEPH R. M'CARTHY, Republican, of Wisconsin, in his nationwide television broadcast of November 24, said:

"For example, while almost daily from the time I mentioned the 57 Communists and 205 security risks in Government until the time the Truman-Acheson regime was removed from office, almost daily some leader in the Democratic Party would proclaim to the country that there were no Communists in Government, and that my attempt to dig them out was dishonest and a hoax. The new administration has now gotten rid of 1,456, all of whom were security risks, and practically all of whom were removed because of Communist connections or perversion."

Though the President made a distinction today between persons outside his administration using subversives and security risks interchangeably, his own legal counsel in the White House, Bernard M. Shanley, told an audience in Newark that "1,456 subversives had been kicked out of the Government."

Similarly, Arthur E. Summerfield, the Postmaster General, publicly lumped the traitors and the others together in these terms:

"Almost 2,200 people who were security risks are no longer using your tax money. I am here to tell you we are not hiring any new ones. \* \* \* Somehow I do not feel too amiably inclined toward people who make treason a preoccupation."

As a matter of fact, the 2,200 figure includes not only many persons dismissed for character faults other than subversion but also, at least in some departments, Government employees who resigned voluntarily and others ousted merely as part of the administration's reduced-force program.

**NAVY DEPARTMENT REPORT**

For example, the Navy Department stated in its official release on its contribution to the October total of 1,456 security risk dismissals:

"Separations in some instances were affected after preferment of charges and hearings. Others were separated through resignation or reduction in force prior to final processing of derogatory information, or by other administrative action during the employee's trial period."

The requests for a breakdown of the 2,200 figure continue because every week seems to bring more evidence that the public thinks security risks are pro-Communist and tends to measure the Communist-infiltration menace in these terms.

Mr. Brownell has refused to give the breakdown on the ground that he is not authorized to do so and also because he thinks it would be unfair to the persons concerned.

Members of Congress now are asserting, however, that the unfairness lies in the present system, which elevates the misfortune of drunkenness to the crime of conspiring to overthrow the United States Government.

Moreover, Congress has a duty to measure the extent of Communist infiltration in the Government, and it cannot do so as long as the disloyal Communists are lumped together with the loyal liars and incompetents.

**DISCHARGE OF INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION**

Mr. KNOWLAND. Mr. President, under the agreement entered into yesterday evening, the distinguished senior Senator from Tennessee [Mr. KEFAUVER] was to have the floor today, following the morning hour. However, with his approval, I should like to reopen the discussion of the Commodity Credit Corporation situation, which was in process

just prior to our going to the House of Representatives, to hear the address by the President of the Republic of Turkey. I make this request in order to see whether at this time we can clear up the legislative situation regarding that matter.

Mr. KEFAUVER. That arrangement is quite satisfactory to me, provided I may be recognized when the discussion referred to shall have been concluded.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Tennessee be permitted to yield under the condition stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, just before Members of the Senate went to the Hall of the House of Representatives, we were discussing Calendar No. 889, which is House Joint Resolution 358, relating to the Commodity Credit Corporation. The distinguished Senator from Delaware [Mr. WILLIAMS] was having a colloquy with the chairman of the Appropriations Committee, the Senator from New Hampshire [Mr. BRIDGES], at the time we left the Senate Chamber.

In order to bring the Senator up to date, let me say that immediately upon our return to the Chamber I discussed the matter with the Senator from New Hampshire and told him that it did not seem to me to be unreasonable to give the Senator from Delaware additional time over the weekend to study the figures for which he had asked, and that, so far as I was concerned, if there was no deadline situation facing us, I would be glad to ask that the joint resolution go over until Monday.

The Senator from New Hampshire, who is chairman of the Appropriations Committee, who was presiding over the Senate at the time, asked the distinguished Senator from Vermont [Mr. AIKEN], who is chairman of the Committee on Agriculture and Forestry of the Senate, to contact the Commodity Credit Corporation as to the exact situation which exists there. I believe that if the Senator from Vermont would inform the Senate as to what the facts are, it might help us to determine the necessity of proceeding today, or whether consideration of the joint resolution might well be postponed until Monday.

Mr. AIKEN. Mr. President, last Monday the President of the Commodity Credit Corporation appeared before the Senate Committee on Agriculture and Forestry in connection with the consideration of Senate bill 2714, a bill to increase the borrowing power of the Commodity Credit Corporation. At that time he stated in his testimony that, according to their best estimate, the borrowing authority of the Commodity Credit Corporation, amounting to \$6,750,000,000, had all been obligated except for \$16 million. He stated that requests for loans were coming in at an unprecedented rate. The Commodity Credit Corporation is having to buy an unprecedented amount of dairy products for this time of year. Huge quantities of cotton, wheat, corn, and possibly other commodities are being put under loan



faster than had been anticipated. He estimated that the money on hand would last through this week.

I then tried to call Mr. Gordon. I could not find him. I talked with his executive assistant, who stated that, according to his information, it was not felt that the money on hand would last longer than through the day. It had been thought that it would last for some time in the future, but because greater loans are being made than had been anticipated, the money is running out earlier than was expected.

There are only two ways by which the Commodity Credit Corporation can obtain additional lending power. One is by increasing the borrowing authority of the Corporation. It has requested \$1 $\frac{3}{4}$  billion, which it is thought will take care of its operations through the 1954 crops, but not beyond that point.

The other way is by the enactment of the House joint resolution which is now before the Senate, House Joint Resolution 358, a joint resolution to discharge the indebtedness of the Commodity Credit Corporation. If it is approved, the Commodity Credit Corporation will be given \$740 million of additional money with which to work.

Frankly, I do not like the method of financing any agency of Government by the cancellation of notes. In this case, however, the House has already passed the joint resolution. It appears to be the only way by which we can give the Commodity Credit Corporation money to continue its program without interruption.

The bill to increase the borrowing authority of the Commodity Credit Corporation is now on the Senate Calendar. It has not passed the Senate. I understand that it probably will not be taken up in the House for a month or so. So the joint resolution now before the Senate is the only way the Commodity Credit Corporation can quickly obtain funds with which to continue its programs without interruption. That is my understanding.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. WILLIAMS. Mr. President, I should like to go along with the Department and with the chairman [Mr. AIKEN] of the Committee on Agriculture and Forestry, of which I am a member. However, I point out that in the testimony of the President of the Commodity Credit Corporation before our committee in connection with Senate bill 2714, the purpose of which was to increase the borrowing authority of the Corporation, the statement was made that as of the first of the year it was estimated that the money would not be needed until the 1st of July. That testimony was taken upon the bill which was introduced by the chairman of the committee. The bill was introduced at the request and upon the suggestion of the Department of Agriculture. It carried an effective dateline of July 1, 1954.

Throughout the testimony the President of the Commodity Credit Corporation did point out that perhaps the money of the Corporation was running

out. I think to that extent the chairman of the committee is correct. But I have yet to hear any suggestion made anywhere that the Corporation will be out of money as of this week. I should like to know where the chairman of the committee obtained that information, and when it was delivered to the Senate.

Mr. AIKEN. I think if the Senator will read the testimony of the President of the Commodity Credit Corporation he will note that he stated that the Commodity Credit Corporation had left only an estimated \$16 million, and that that would not last beyond the 1st of February.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. As I remember the testimony, it was to the effect that the Commodity Credit Corporation had used up \$4 billion out of \$6,750,000,000.

Mr. AIKEN. As of November; not as of the present time.

Mr. ANDERSON. I further understand that if all the loans now pending were to be finally granted, and there were no sales from stocks, the fund would then be down to \$16 million. But there is no showing anywhere that their cash is down to \$16 million. They have more than \$2 billion on hand.

I am not opposed to clearing up this indebtedness, but I am sure that the figure is not \$16 million, but is more than \$2 billion.

Mr. AIKEN. I did not anticipate that the discussion would arise at this time. I do not have before me the testimony of the President of the Commodity Credit Corporation, but the records show that the obligations of the Corporation as of November 30 were between \$4 billion and \$5 billion, and they have been making loans at an unprecedented rate since then. It was estimated, as of last Monday, that there was \$16 million left which was unobligated. As the Senator from New Mexico says, the money probably had not passed, but the loans were being processed. Therefore, the money could not be used for other purposes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. Knowing the Senator from Vermont as I do, and his desire always to help us get the facts, I ask the Senator from Vermont if he would not be willing to go to the telephone and call the head of the Commodity Credit Corporation and ask what the facts are with regard to this conflict of argument on the floor of the Senate. If the Senator from New Mexico [Mr. ANDERSON] is correct, that is a very relevant factor to consider before we vote.

Mr. AIKEN. I attempted to call the President of the Commodity Credit Corporation about half an hour ago. He was at lunch. I talked with his executive assistant. I did not get much information that we did not already have. It was to the effect that as of the beginning of the week the Commodity Credit Corporation had \$16 million left unobligated, and it was his feeling that the Corporation would not be in a position to accept applications for loans after tonight. The

procedure would be to send out notices to their committees all over the country not to accept loans after tonight.

Mr. MORSE. Mr. President, will the majority leader further yield?

Mr. KNOWLAND. I yield.

Mr. MORSE. I most respectfully suggest that we seek an answer to this question of fact. There is no sense standing here and arguing about a question of fact. Let us find out what the fact is and postpone action until we get the facts.

Mr. KNOWLAND. I will say to the Senator from Oregon that I had already talked with the distinguished Senator from New Hampshire and suggested that he get in touch with the head of the Commodity Credit Corporation on the telephone and obtain a statement of fact from him as to the exact situation in regard to the fund.

Mr. WILLIAMS and Mr. ANDERSON addressed the Chair.

Mr. KNOWLAND. Mr. President, I yield to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, at the hearings before the House committee and before the Senate committee the same figures were used. According to the hearings before the House Committee on Appropriations, at page 8, the borrowings as of January 21, 1954, were shown to be \$4,063,000,000, out of a total borrowing authority of \$6,750,000,000, plus capital stock of \$100 million.

The difficulty is that the Corporation has on file applications for loans which must be recognized and which will be made. The Corporation makes sales, too. For example, cotton moves out very rapidly. I would be willing to say that what the Senator from Vermont [Mr. AIKEN] has stated is correct, namely, that they do need the additional money, and will need it very shortly. However, I do not believe we would be justified in saying that the Corporation would have to stop making any loans because it did not have the money with which to make them. That is not correct. They have more than \$2 billion left. Nevertheless, they do need additional money.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. If the Senator from New Mexico will look at the committee report on S. 2714, he will find on the second page the statement that as of November 30, 1953, a total of \$5,673,000,000 was actually in use.

Mr. ANDERSON. I was reading from page 8 of the House hearings.

Mr. AIKEN. I am reading from the letter of the Secretary of Agriculture, which says:

As of November 30, 1953, the Corporation had outstanding borrowings of \$4,148 million and it was obligated to purchase \$1,525 million of loans and certificates held by banks and other lending agencies participating in the loan programs of the Corporation. This made a total of \$5,673 million of its statutory borrowing power actually in use. It also had other obligations already contracted in the amount of \$259 million, some part of which will require additional borrowings to liquidate (such as purchase agreements, accounts payable, accrued liabilities, etc.) making a



grand total of \$5,932 million of its borrowing authority in use as of November 30.

The Department told us on Monday that the applications which have been received since November 30 and the loans which have been made brought the total within \$16 million of the statutory authority, and that the Commodity Credit Corporation did not expect to have sufficient money to carry on beyond February 1.

If they have money left on hand, and no harm would be done by not acting on the joint resolution until Monday, that is one thing. But, if they actually are out of money as of today, and they notify the county committees not to accept any more applications for loans, it does not take very much imagination to realize what would happen to the commodity market, once that kind of notice goes out from the Department.

Mr. BRIDGES and other Senators addressed the Chair.

Mr. KNOWLAND. Mr. President, I yield first to the Senator from New Hampshire; then I shall yield to other Senators.

Mr. BRIDGES. Mr. President, in answer to the Senator from New Mexico [Mr. ANDERSON], it is my understanding that he is correct so far as he goes, but he does not go far enough. The law provides that the Corporation must have funds with which to cover the bank loans, and so on. If he will look at page 8 of the House hearings, from which he has quoted the figure \$4 billion, and go down to the next 2 items, he will see the 2 items of \$1,215,000,000 and \$1,451,000,000, which represent bank loans, certificates of interest, and so forth. The law provides that the Corporation must have enough money to cover such loans and certificates. That is why the Corporation is down to \$16 million in borrowing authority.

Mr. ANDERSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from New Mexico.

Mr. ANDERSON. I do not question that statement, and I am not opposed to the joint resolution; but I do strenuously object to the statement that the Corporation is down to \$16 million. While it is true that they may have applications for additional loans, anyone who has observed the operations of the Commodity Credit Corporation must know that while cotton moves rapidly under loan, it also moves out from under loan. There never comes a time when all of the money is actually used.

Mr. President, I regret that we have run into this situation, because I fully agree that the joint resolution should be passed. However, I believe that we ought to be given some time to take a look at it first. Perhaps it may be agreed to on Monday.

Mr. KNOWLAND. Mr. President, I next yield to the Senator from Vermont.

Mr. AIKEN. The apprehension of the Commodity Credit Corporation was the possibility of operating in violation of the law. I say that even though I believe the Senator from New Mexico is correct when he says that probably it would not be actually out of money.

Mr. KNOWLAND. Mr. President, I yield to the Senator from New Mexico.

Mr. ANDERSON. It is on that basis that I have no objection to the joint resolution.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I agree with what the distinguished Senator from New Mexico has stated, that the Commodity Credit Corporation has as much as a billion dollars of cash on hand. But that money is obligated. Because it is obligated, except for \$16 million, the Corporation cannot service any further loans. Unless the proposed cancellation takes place there is no doubt that within the next few days the Corporation may run out of money and therefore will not be able to make further loans, which it is bound to make under the law.

Mr. KNOWLAND. Mr. President, I next yield to the Senator from Delaware, who has been trying to make a statement.

Mr. WILLIAMS. Mr. President, I may say to the Senator from California that the estimates of both the Senator from New Mexico and the Senator from Vermont are probably correct. The statutory borrowing authority has not been used up. If the obligations as they have been surveyed in the field were all put up to the Department of Agriculture at one time, unquestionably the money would be gone. However, that is not possible. That does not happen. The Department knows it does not happen.

I agree with the Senator from New Mexico that we must give more money to the Corporation, and I will go along with the proposal. I am not disputing that point. Whether we approve of the farm program as of today is beside the point. The law provides that we must give the Commodity Credit Corporation the money, and we are obligated to appropriate the money to implement the law. However, that does not relieve them of the responsibility to render an accurate accounting. But, in the meantime, I believe we have every right to examine the joint resolution which came before the Appropriations Committee. Incidentally, it was before the committee only yesterday afternoon, and it was rushed out of the committee within a few minutes as emergency legislation. There was no breakdown of commodities presented to the Committee on Appropriations at the time action was asked of the committee. I went to the Committee on Appropriations about an hour after the resolution was reported out, and at that time the committee had not yet been able to get a breakdown of the figures, and they were not brought to the Senate until 5 o'clock in the afternoon.

Mr. President, while I am sympathetic with the needs of the Department, I shall insist upon getting the answer to several questions before action is taken.

If the Department is threatening that either we will act on the resolution today or they will send out telegrams stopping loans, they had better get ready to send out the telegrams, because I will not consent to act on the resolution under such

a threat. I will not consent to legislation on 24-hours' notice which says to us, in effect, "We have to get \$700 million for a Government Corporation, but we do not have the time to tell you what we need the money for."

If the Corporation is in bankruptcy, let us declare it bankrupt, and let us tell the American people where we stand. I venture to say that will not happen.

Mr. KNOWLAND. Mr. President, I next yield to the Senator from Vermont.

Mr. AIKEN. This exceptional and unprecedented and unanticipated demand on the Commodity Credit Corporation reached to its height about 2 weeks ago. I believe they did communicate with us when they realized that they were going to be left high and dry and without any funds with which to carry on.

Mr. WILLIAMS. I am willing to agree that the resolution should be considered, but I see no reason why it cannot be made the pending business on Monday. There would be no undue delay, it seems to me, if the resolution were taken up on Monday.

I believe it is wrong, however, to ask Congress to appropriate \$714 million on 1 hour's notice, when the Department that needs the money in such a great hurry does not know what it needs the money for. Unless a satisfactory breakdown is furnished I certainly shall not support the request.

Mr. KNOWLAND. Mr. President, I should like to say, if I may, that there is a breakdown to which I should like to invite the attention of the Senator from Delaware and other Members of the Senate, which appears in the CONGRESSIONAL RECORD of January 27, at pages 854, 855, and 856, dealing with the commodity-credit situation. I do not know whether the Senator from Delaware has yet had an opportunity to go over it. I think we may make progress if we may have the distinguished chairman of the Appropriations Committee, or someone designated by him, get in touch immediately with the head of the Commodity Credit Corporation.

I may say to the Senator from Delaware that if it is possible, without damaging the program, to hold the joint resolution over until Monday, I think the requests of Senators to have a little more time are not unreasonable. If we are faced with a situation requiring quick action in this particular case, we shall have to meet it; even if we have to hold an evening session. I hope that will not be necessary, and I also hope that in the future the executive departments will get their requests to us as early as may be possible, so that we shall not be faced with a time limit, because I fully agree with the Senator from Delaware, and I do not like to be faced with a close time limit. Insofar as the majority leader of this body is concerned, he can make his views known to the executive departments, but as Grover Cleveland once said, "We have a condition and not a theory confronting us." I want to get the facts so that we can make a decision on accurate information.

Mr. WILLIAMS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.



Mr. WILLIAMS. I had not noticed the insertion in the RECORD to which the Senator has referred. It may be accurate, and I am willing to assume that it is; but why was it not submitted to the Appropriations Committee before, and why did it take until yesterday afternoon to get that information?

Mr. KNOWLAND. Has the information which the Senator from Delaware requested been delivered?

Mr. WILLIAMS. No; but that is supplementary information along the same lines, which I think could be dispensed with if it is not all here.

Mr. THYE. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from California yield to the Senator from Minnesota?

Mr. KNOWLAND. I yield.

Mr. THYE. Mr. President, there is no question that Congress must make the funds available. The president of the corporation stated that applications for loans are being received in unprecedented numbers. If that is the situation, and if we stay here this evening in order to make the funds available to the corporation, there is no question that every chairman of a county committee will have to be notified and information will have to be sent to the county officers and also to the producers who have filed applications for loans.

I think the majority leader has well stated the situation by suggesting that we defer action for the moment. I am sure we all agree that when the department has given us accurate information about the shortage of funds we can resume the discussion and take action.

Mr. FERGUSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Mr. President, a matter such as this normally comes to the Appropriations Committee when that committee acts on the agricultural program in the normal course of events. Practically every year, so far as I can recall, we have had to do just what we are asked at this time to do, namely, to provide money with which to cover the losses brought about by the difference between the value of the commodities and the amounts which have been credited.

Mr. WILLIAMS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. WILLIAMS. As the Senator from Michigan understands, what does this item represent as it was presented to the Appropriations Committee? Does it represent losses sustained by the Commodity Credit Corporation?

Mr. FERGUSON. Not absolute losses, because the corn or wheat or butter or cotton may be in storage.

Mr. WILLIAMS. What is the difference between a loss and an absolute loss?

Mr. FERGUSON. There is involved a restoration of capital.

Mr. WILLIAMS. Where does the capital go? Has the capital been lost? I want to get a clear indication of the difference between a loss and an absolute loss.

Mr. FERGUSON. Some of it has been lost by sales; some because of a decline in the value of the inventory.

Mr. WILLIAMS. I notice the Senator from New Mexico shaking his head vigorously, and I wish he would help us.

The PRESIDING OFFICER (Mr. WELKER in the chair). Does the Senator from California yield to the Senator from New Mexico?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. I may be absolutely wrong, but I do not agree with the Senator from Michigan on that point. I think the Corporation has sustained losses, and I think the restoration of capital under those circumstances is a perfectly proper procedure. All I objected to was the statement that if we did not pass this measure today, the Department would send out telegrams. I say, let them send out telegrams if that is the way they feel about it. The information set forth on page 854 of the RECORD does not contain the other items of individual loans, which are the basis for saying that all the capital except \$16 million may be obligated.

Mr. KNOWLAND. I thank the Senator from New Mexico. There is a statement which shows net realized losses, and a credit for net realized gains and operating expenses, but it does not cover shrinkage in any way.

Mr. YOUNG. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. YOUNG. The loss is not entirely due to CCC operations. The cost of the wheat for Pakistan will come out of CCC operations. The money still has not been repaid, the Corporation has not yet been reimbursed for many more price-support operations.

The CCC also furnishes supplies for our Armed Forces. The repayments are not always up to date.

Mr. WILLIAMS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. WILLIAMS. I think the colloquy on the floor during the past hour has demonstrated the validity of my position. Why can we not defer action on the joint resolution until Monday after we determine what it is all about? As representatives of the people, I do not think we have any right to pass a large appropriation without the Members of the Senate being informed any more than they seem to be today. I think the request is a perfectly reasonable one.

With respect to the threat of the Department that if we defer action they are going to send out telegrams, if that is done, I am perfectly willing to submit a resolution asking for the resignation of whoever sends out such telegrams, I care not who he may be.

The Senator from New Mexico is correct that, technically speaking, if all these applications were submitted to Washington at the same moment, the Corporation would not have the money with which to continue operations; but that is not practically possible.

We have a ceiling on our national debt of \$275 billion. There are obligations amounting to forty or fifty billion dollars. If every one of them was presented to the

United States Treasury for payment before sunset this evening, the Government would be bankrupt unless we raised the debt limit proportionately. We are told that the CCC must have this money or they will have to close down overnight. That is nothing but a threat to the Congress, and I am not going to yield to anything like that.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished Senator from New Hampshire.

Mr. BRIDGES. I may say to the Senate, and particularly to the majority leader, the distinguished Senator from California [Mr. KNOWLAND], that a few moments ago I had a member of the staff of the Committee on Appropriations talk on the telephone with Mr. Gordon, president of the Commodity Credit Corporation. I shall quote to Senators his statement, for what it may be worth:

The problem is that some 3,000 county officers and as many as 7,509 lending agencies involved either must have a restoration of capital at this time, or else it will be necessary to telegraph to them to suspend operations immediately, until action is taken. Otherwise, we shall be in violation of the act which requires us to keep within the borrowing authority.

I do not like shotgun marriages any more than does the Senator from Delaware [Mr. WILLIAMS]. However, that is exactly the dilemma that faced the Committee on Appropriations yesterday, when the Commodity Credit Corporation appeared and said, "This is a 'must' action. It requires 'must' legislation."

I am not enthusiastic about it. I do not like to enter into it. Nevertheless, I am simply presenting to the Senator from Delaware and to the Senate a statement made by the head of the agency, in which he said that if the agency does not obtain the funds necessary, then, over the weekend, it will be necessary to send telegrams to every county office and every CCC lending agency in America, stating that the Corporation is out of money and, therefore, has had to stop operations.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. I desire to make an explanation in relation to the need for the funds, and I should like the Senator from New Mexico [Mr. ANDERSON] to hear what I have to say.

Let us consider the item of \$126,680,-756 for corn. One of the experts on the staff of the Committee on Appropriations has received from the Commodity Credit Corporation information which I was trying to give to the Senate. The item consists of an actual loss on the sale of corn, represented by the difference between the actual sales price and the purchase price, plus a valuation by the Treasury Department last year or the basis of June 1953 prices as to the value of corn then on hand, as compared with the purchase price of the corn.

The Treasury valuation differs from the valuation of the corn by the Commodity Credit Corporation, which is based on the price that might be ob-



tained at a probable sales time in the future. That is how that particular item has been figured by the CCC. I was simply trying to explain to the Senate of what the loss consisted.

Mr. WILLIAMS. To use that item as an example, the Senator from Michigan says that \$126 million worth of corn represents an actual loss. Do I understand correctly that a part of the amount represents the prospective loss for this year and the year following?

Mr. FERGUSON. The Senator is correct.

Mr. WILLIAMS. Then, I should like to ask the Senator from Michigan a further question. He has given a figure of \$126,680,756. Why was not the figure \$226 million, or \$326 million? Or why was it not a plain \$126 million? How did the Commodity Credit Corporation arrive at the exact figure of how much loss is expected on corn this year, next year, or the year after? That is the point I want to have explained. We are not simply writing off the Corporation's losses of last year; we are being asked to write off the loss of last year and also what might be lost next year and the year after.

We are being asked to do that by the passage of this joint resolution, and thus to put those losses behind us, so that the situation can be described on the floor on the basis that the losses are not actual losses; and, then, when they are sustained later, they will be written off, and the people will have forgotten about them.

Mr. FERGUSON. We have followed the same procedure in the past.

Mr. WILLIAMS. Yes; and I have notified the Committee on Appropriations many times previously that I shall oppose this method of financing. I am strenuously opposed to it, when we do not have even 24 hours in which to consider it.

Mr. FERGUSON. To use corn as an example, it appears to me that if corn were allowed to remain in the bin, and we knew it was not of the value that could be obtained later, we should allow the Commodity Credit Corporation to reflect anticipated losses. Everyone anticipates as of the present what his future inventory will be worth. I do not see anything wrong in saying that the Commodity Credit Corporation can include some prospective losses.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. WELKER in the chair). The Senator from California has the floor, and he has yielded to the Senator from Michigan [Mr. FERGUSON].

Mr. KNOWLAND. Mr. President, perhaps I can clear up the situation. I have just talked with the distinguished Senator from New Hampshire [Mr. BRIDGES], chairman of the Committee on Appropriations. Rather than continue the debate on the measure, since it appears obvious there is a great difference of opinion among Senators as to what the facts are, the majority leader is willing to take the responsibility to state to the Commodity Credit Corporation, if it meets with the approval of the Senate, that this measure will be considered further on Monday.

I can fully understand that the Commodity Credit Corporation, in order to comply with the law, may have to protect itself, by sending telegrams, if the facts are as stated by Senators. But it seems to me that if the facts require the Commodity Credit Corporation to do so, they might also say that the matter is to be taken up in the Senate on Monday next.

I may say very frankly, and I would say it whether the administration were Republican or Democratic, that I do not believe the Congress of the United States should be presented with such proposals within a period too short in which to legislate properly.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. KNOWLAND. I yield.

Mr. THYE. The Commodity Credit Corporation came before the Senate Committee on Agriculture and Forestry and stated its fears, telling us that applications for loans were being received at an unprecedented rate. We were warned of that. We were informed on January 22 that the best calculation that could be made, after information had been received from local banks that had made such loans, which would obligate the Commodity Credit Corporation, was that there would be outstanding indebtedness of \$4,063,000,000 as of this particular time. The latest figures we have obtained, which were as of January 28, showed that actually the amount of loans that had been made was \$4,096,000,000, or above the anticipated figure by \$33 million.

The best figures the Commodity Credit Corporation can give as the result of current information, received from local banks, as reported by State production and marketing administration committees, is that borrowings as of the present time are more than \$130 million in excess of the figures given us as concrete obligations.

Mr. President, the only reason why I rise to caution the majority leader is that we cannot, in any sense, ask the Commodity Credit Corporation to make themselves liable by incurring indebtedness beyond their authorization. That is the first point.

Second, we should visualize the chaotic situation which will occur the Nation over if the Production and Marketing Administration committees are informed by telegraph to stop all execution and adjudication of loans in the districts, because it is necessary to make contracts all the way down to the county level.

There is no question in my mind, nor, I believe, in the minds of other Members of Congress, that Congress will authorize the additional lending. I think we have obtained from the Department the closest estimates possible. I have just talked with the budget officer of the Commodity Credit Corporation, who is outside in the retiring room. He called the Department to obtain the latest figures.

There is no way by which we can get any closer estimate this afternoon than that which has been given us, namely, that commitments are running higher than the amount reported on January 22.

Certainly we were warned at that time what to expect.

Mr. KNOWLAND. The fact remains that the joint resolution was reported from the Committee on Appropriations only yesterday, and today is the first time it has been on the desks of Senators. In the orderly, normal course of legislative procedure, I think it would not be an unreasonable request on the part of any Senator, be he on the Democratic side or the Republican side of the aisle, to have at least sufficient time in which to procure facts with which to make his presentation to the Senate.

I have tried to make it perfectly clear that on Monday next I shall be prepared to move to lay aside the unfinished business in order to take up this joint resolution and to give it priority. I am prepared to give further assurance to the Senate that, if necessary, the Senate will be kept in session all day Monday and Monday night, if necessary, in order to meet the situation affecting the Commodity Credit Corporation. So, it seems to me, in view of the circumstances, that the request of the Senator from Delaware is not unreasonable. Frankly, I would not be prepared to seek any further delay, but I assume the Senator from Delaware is not trying to prevent the Senate from reaching a vote, and if he is prepared to proceed on Monday, so far as I am concerned, the Senate may take the matter up as the first order of business on Monday, immediately following the quorum call and the routine morning business.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from California yield to the Senator from Vermont?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. Since the debate on this joint resolution started, I have talked with Mr. Gordon, President of the Commodity Credit Corporation, and I am advised that as of January 22, \$16 million of unobligated funds remain in the borrowing authority of the Corporation. That was just a week ago today. The Commodity Credit Corporation has been purchasing dairy products alone at the rate of more than \$1 million a day, I understand, so that the Corporation cannot have any money left as of today. Therefore, if the Senate does not take action, there are only two courses which can be followed. One is to send out telegrams to the agencies in the States stating that they are not to accept any more applications for loans. The other is to go ahead and violate the law. If they were to violate the law, I am sure the Senator from Delaware [Mr. WILLIAMS] would be the first Senator on the floor to object. So I think that the suggestion of the Senator from California [Mr. KNOWLAND] is the best course the Senate can follow.

I am informed by Mr. Gordon that if telegrams are sent to the representatives of the Corporation in the States, as will have to be done, they will not constitute a threat but will merely state a fact. The Corporation cannot violate the law and accept applications in excess of their authorized borrowing authority.



I think the only course to follow is that suggested by the Senator from California. In order to avoid chaos, when the telegrams are sent, they should also include a statement that the Senate has agreed to consider the joint resolution on Monday. There is no question, at least there is none in my mind, that the joint resolution will be passed. It is unthinkable that it will not be. By taking that action we might be able to prevent conditions arising which would lead to a price decline in the market which otherwise might occur. I believe the course suggested by the Senator from California is the best the Senate can follow, in view of the fact that the Senator from Delaware will not consent to action on the joint resolution today.

Mr. HOLLAND. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I completely approve of the suggestion of the distinguished majority leader that the matter go over until Monday. If telegrams have to be sent out, I personally think it would be a fine thing for the Nation, and particularly for the farmers throughout the Nation, to realize what is happening because of the 90 percent rigid price-support program, which is largely responsible for the situation in which the agricultural program now finds itself.

Mr. President, the Committee on Agriculture and Forestry has, within the last few days, held hearings upon the request to add one and three-quarter billion dollars to the financial structure of the Commodity Credit Corporation in order that it may see itself through this year's lending, with the careful warning given, in connection with the request, by the Department of Agriculture that the granting of such an amount of increase would be merely temporizing with the problem; that by this time next year the department will be back again with another request for an additional increase of the capital structure of the Commodity Credit Corporation, unless we terminate this wholly extravagant 90 percent price support structure which is responsible for the existing condition.

Mr. President, calling attention to the resolution under discussion, there are two provisions with regard to which the Congress is required to act. One is the expenditure by the Commodity Credit Corporation of more than \$129 million in connection with the international wheat agreement, which the Commodity Credit Corporation, of course, is carrying on under legislative direction. Congress also must act on reimbursement to the Commodity Credit Corporation for the amount which it has advanced for the handling of the eradication of foot-and-mouth disease in Mexico, which is a relatively minor amount of more than \$2 million.

What I believe the country ought to realize is that the major portion of the restoration involves \$609 million, not representing the present spoilage, not representing the present heavier loss, but representing largely the estimated spoilage and loss in inventory as of July 1,

1953. In other words, the most of the \$609 million covers the loss accrued in the inventory of the 90-percent-price-support-held products prior to the end of June 1953.

Mr. President, it means that not only must we put up \$1¾ billion more at once, just to handle the matter through this year, but now we are informed that the corporation is about bankrupt and that we have to put up \$741 million for immediate restoration so that the Commodity Credit Corporation can operate for the next few weeks. Yet we are told by the Commodity Credit Corporation that \$609 million of that total is needed largely because of spoliation, because we have had to keep in storage huge quantities of corn, wheat, and butter. Incidentally, the committee was told the other day that more than \$350 million will be for butter and other products under the 90-percent milk-products-support program.

Mr. President, how much longer is this Nation going to swim through that sea of butter and not see that in trying to carry out such a program we are riding to destruction? I am not afraid of the Nation's ability to carry on; I am afraid that the program will so thoroughly disgust the average citizen of the country that he is going to insist upon restrictive, punitive, and destructive measures being taken with respect to the whole agricultural price-support program, much of which is beneficial.

We have in this instance a demonstration of rushing through an appropriation of \$609 million, which is based largely on an estimate of how much stored products had gone down in value, due to spoliation, up to the middle of last year.

I hope that the distinguished Senator from Delaware [Mr. WILLIAMS] will insist upon his request. If not, I shall make such a request. I hope that the distinguished majority leader will insist upon his suggestion that this matter be carried over until Monday. In the meantime I hope telegrams will be sent out to the public, because I think the public, and particularly the agricultural public, needs to realize just how disastrous the cost of the program is becoming and what huge expenditures are being requested in order to continue a price-support program which was a war measure, and a war measure pure and simple, when all the other war measures affecting every other group of citizens in our Nation have long since been discontinued.

I hope the distinguished majority leader will insist upon the consideration of the measure being carried over until Monday.

Mr. WILLIAMS. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the distinguished Senator from Delaware, who I understand has a suggestion to make.

Mr. WILLIAMS. Mr. President, as I told the Senator from California very early in the discussion, I was perfectly willing the joint resolution should be brought up on Monday; that so far as I was concerned there would be no effort to delay, and that it could be voted on

within an hour or two. All I wanted was information as to the items on which the money would be applied.

As the Senator from Florida [Mr. HOLLAND] has pointed out, I do not believe the American people know how much the program is costing. We have had varying statements from Senators representing different States regarding the cost of the program. The statement was made that the cost of the program since 1933 has been as low as \$20 million. I am not going to debate that question at this time. All I say is that we should put a price tag on the operations of the Corporation and see what we are paying.

I suggest to the Senator from California [Mr. KNOWLAND] that, frankly, I do not see that there is any great need of emergency action. I am not going to back down on my request that consideration of the resolution be deferred until we have had a chance to study the figures. But, in order to avoid controversy, I shall go along with this proposal, for I am not trying to be arbitrary about the matter.

If the Senate wishes to take up Senate bill 2714, the purpose of which is to increase the borrowing power of the Commodity Credit Corporation, and if the Senate is willing to reduce the amount of the proposal to \$500 million, I will go along with the bill in that form, on the question of its passage by unanimous consent. In that way we shall send the bill to the House of Representatives, and thus enable the Commodity Credit Corporation to carry on until Monday.

I do not think that is necessary at all; I do not think the House has to do it. Nevertheless, I am not trying unduly to handicap the Commodity Credit Corporation.

However, as one Member of the Senate, I will not vote for a \$774 million appropriation bill, when I, at least, as one Member of the Senate, do not know what the items of the bill are. I want that information before I cast my vote on the bill.

Mr. KNOWLAND. Mr. President, I have recently been informed that the House of Representatives has just taken a recess until Monday. Of course, in that case the House will not be able to act today on the amendment suggested by the Senator from Delaware.

However, because of the importance of this matter and because the majority leader must ascertain whether a quorum of the Senate is available and whether a quorum of the Senate would be in the city tomorrow, in case I ask for a Saturday session, I shall now suggest the absence of a quorum.

Mr. BUTLER of Maryland. Mr. President, will the Senator from California withhold the suggestion for a moment?

Mr. KNOWLAND. Yes.

Mr. BUTLER of Maryland. I should like to ask the Senator from California a question, if I may do so.

Mr. KNOWLAND. Certainly.

Mr. BUTLER of Maryland. Would it be a possible solution of this problem if we were now to pass an emergency appropriation bill in the amount of \$100 million, in order to tide over the Com-



modity Credit Corporation until the House of Representatives can pass on this matter on tomorrow?

Mr. KNOWLAND. No; the House of Representatives has taken a recess until Monday, so I have been informed.

#### THE BRICKER AMENDMENT—SUBMISSION OF AMENDMENT TO COMMITTEE AMENDMENT

Mr. McCARRAN. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. McCARRAN. I desire to speak briefly on the situation regarding the Bricker amendment.

Mr. President, I have been asked whether my position on the Bricker amendment was a matter of form or a matter of substance. Perhaps I should take offense at the question, but I prefer to give it an honest answer. So I say to my colleagues, and for the record, that I am interested in substance, not in form. My position is one of principle.

I have not argued for the so-called "which" clause because of what it is, but because of what it does. I do not insist on retaining that clause in precise words if my basic purpose of restoring the original intent of the Constitution can be served by the adoption of other words. I have studied various proposals offered by my colleagues, and I feel perhaps this can be done.

A constitutional amendment is a serious matter, and I do not feel it is the best procedure to try to write one on the floor of the Senate. But I fear that is what may happen if matters go along in the present state of conflict and controversy.

Therefore, in hope that it may be possible even at this late date to achieve some meeting of the minds; in the sure knowledge that the present opponents of the amendment, as reported from our Committee on the Judiciary, are good and loyal and sincere Americans who will meet reason with reason; and as evidence of my own attachment to principle and substance, rather than form and phrase, I send to the desk a draft of an amendment to our committee amendment to Senate Joint Resolution 1. I ask that it may be read by the clerk for the information of the Senate, and that it be printed and lie on the table.

The PRESIDING OFFICER (Mr. BUSH in the chair). Is there objection?

There being no objection, the amendment to the amendment was received, ordered to be printed and to lie on the table, and was read, as follows:

Amend paragraphs 1 through 4 of the committee amendment to read as follows:

"1. After the ratification of this amendment no treaty shall be the supreme law of the land unless made in pursuance of this Constitution.

"2. A provision of a treaty or other international agreement which conflicts with this Constitution shall not be of any force or effect.

"3. No international agreement other than a treaty shall become effective as internal law in the United States except through legislation.

"4. Any vote in the Senate on the question of ratifying a treaty shall be determined by the yeas and nays."

Mr. McCARRAN. Mr. President, this amendment may contain defects. If so, I think it is safe to say they are latent defects, not patent, and the other body will have full opportunity to study this matter for itself, as it should, and perhaps can improve the Senate version.

I recognize that the Senate itself may change its views between now and the time when this resolution comes back to us from the other body.

For myself, I want to say that I think it is important for the Senate to recognize at this time the need for a constitutional amendment of this nature, and to approve a resolution upon which the other body may proceed to deliberate. It is in this spirit that I have brought forward the amendment just sent to the desk.

#### DISCHARGE OF INDEBTEDNESS OF COMMODITY CREDIT CORPORATION

Mr. KNOWLAND. Mr. President, I shall now suggest the absence of a quorum.

Mr. ELLENDER. Mr. President, before the Senator from California does so, will he yield to me?

Mr. KNOWLAND. Yes; I yield.

Mr. ELLENDER. Will opportunity be given, following the quorum call, to continue the discussion of the Commodity Credit Corporation matter?

Mr. KNOWLAND. Yes. That is why I wish to suggest the absence of a quorum.

Mr. ELLENDER. Of course, I should like to continue the discussion with the Senator from Florida.

Mr. LANGER. Mr. President, I, as one Member of the Senate who favors 90 percent of parity, cannot remain silent when various other Senators suddenly blame the so-called deficit in the funds of the Commodity Credit Corporation upon the 90 percent of parity program.

Mr. President, I call attention to the fact that we now have a Republican administration. Yet I wish to cite some figures as to what has occurred since July 1. From July 1 until December 30, 1953, there were imported from Canada 11,512,000 bushels of rye. The net result has been that the price of rye has dropped nearly \$1 a bushel, and the farmers all over the Northwest have placed their rye under loans with the Commodity Credit Corporation. At Chicago the price of rye has dropped and dropped—with the result, of course, that the Commodity Credit Corporation has been short of just that much funds.

At various times my distinguished colleague, the junior Senator from North Dakota [Mr. Young], and I have taken up this matter of imports.

To show, Mr. President, the contrast between the situation in 1953 and the situation in 1952, let me point out that from July 1 to December 30, 1952, there were imported only 1,304,000 bushels of rye. So, it will be seen that in 1953, nearly 11 times as much rye has been imported from Canada as was imported

during the corresponding 6 months of the previous year, 1952.

Mr. President, that is not all. There was not one day when the importation of rye could not have been stopped. Every Senator from an agricultural State knows that because of the acreage quotas which have been adopted, hundreds of thousands of acres have been seeded to rye, and will continue to be seeded to rye. Many acres will be seeded to barley, but the rye acreage will be larger than it has been in a great many previous years.

Mr. President, that is not all. The average amount of rye produced annually in the United States has been between 23 million and 25 million bushels. Yet, we find that in a period of 6 months, 11 million bushels of rye have been imported. As the Wall Street Journal stated in one of its editions, 250,000 bushels of rye came into the United States in 1 day.

I am very anxious to know what the Department of Agriculture has been doing about this matter.

Finally there was a hearing with regard to oats, after my distinguished colleague from North Dakota [Mr. Young], had fought for a long time. After there had been a hearing to determine whether or not a monopoly was being created, the Department finally did something about rye, but even that action has not been concluded, because the Tariff Commission is making an investigation.

During a 6 months' period in 1953 there were imported from Canada 40,414,000 bushels of oats. During the same period of 6 months, there were imported from Canada 21,760,000 bushels of barley. I wish to invite the attention of Senators who are today blaming the 90 percent of parity for the present condition to the fact that, apparently, the Department of Agriculture has not taken very energetic steps to protect the farmers in the Northwest.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LANGER. I yield to my colleague.

Mr. YOUNG. My distinguished colleague knows that about five times as much barley is going under loan this year as a year ago. In other words, about 35 million bushels have gone under loan, which would be totally unnecessary if we were to give the American markets to Americans.

Mr. LANGER. I ask my distinguished friend if it is not true that that means that the money appropriated for the Commodity Credit Corporation, the very money we are debating about this afternoon, is used to make these loans.

Mr. YOUNG. That is correct, and I want to add that my colleague has been doing a fine job of getting action to stop imports of unneeded farm commodities.

Mr. LANGER. The opposition to 90-percent parity is trying to make capital of the fact that these loans must be made, thereby causing a shortage of money; yet, nothing is being done to stop the importation of grains from foreign countries.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.



Mr. HOLLAND. I have listened with great interest to the Senator's comments. I wonder if he understands that this particular measure does not relate to any losses sustained after July 1, 1953, but relates solely to losses sustained and estimated to be sustained on July 1, 1953, for the fiscal year 1953, which began on July 1, 1952; and that therefore the matters which he has recited as taking place last fall and this winter have no application whatsoever to the measure under consideration.

Mr. LANGER. The Senator from North Dakota understands that perfectly.

I invite attention to the fact that this is a part of a pattern. Next year more money will be requested, in spite of the fact that apparently nothing has been done during the past 6 months to keep grains from other countries out of the United States, with the result, as my distinguished colleague says, that loans have been made to farmers to get the support price, in spite of the fact that grain has been imported from foreign countries.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LANGER. I yield to my colleague.

Mr. YOUNG. Is it not a fact that barley has been going under loan unnecessarily, thereby using up the Commodity Credit Corporation's money? That is why it is short.

Mr. LANGER. Certainly.

Mr. ELLENDER. Mr. President, I should like to have the indulgence of the Senate for a few minutes in order to correct some statements which have been made with reference to the mandatory 90 percent of parity price program for basic commodities.

Since last year, no good word has come from the Department of Agriculture as to this great program. The Secretary of Agriculture has found no good in the program. His comments have not dealt with the many favorable aspects, Mr. President; they have all been derogatory to the program for basic commodities—a fine program, Mr. President, one which is deserving of praise not censure. When Mr. Benson appeared before the Senate Agriculture Committee on January 18 in order to explain to us the President's program to the committee, he had this to say, as appears on page 8 of his statement:

At what point will the 140 million Americans who do not live on farms rise up, as they did in the potato fiasco of a few years ago, and demand, not revision, but outright elimination of all direct aid to agriculture?

When the Secretary appeared on that day, he presented to the committee a table showing that the cost—not of the program under discussion today, but of the entire agricultural program, from the fiscal year 1932 to 1953—was \$16,214,000,000.

What did he include in that figure? Did he confine his presentation to the price-support program? No, Mr. President. The table was padded with other material. Although the Secretary indicated that the price-support program was all wrong, the evidence he submitted to prove his allegation included costs of

the program for soil conservation, and conservation of natural resources—work which includes flood control, and things of that character. He charged all these costs to agriculture, although the subject before our committee dealt solely with price-support programs. In my opinion, the table to which I refer was brought in merely to do an injustice to the great price-support program which has been on the statute books since 1937.

While the Secretary was before us as a witness, I asked him for a true picture; I asked him for the facts as applied to price supports alone. He did not have them, but he said he would produce them the next day, which he did.

That picture, as subsequently shown in the later figures, is one the American people should understand, with particular reference to the farm price-support program. These are figures which were furnished to us by the Department of Agriculture, after I had specifically requested them.

Mr. Benson and his assistants had these statistics available, I am sure, and could have made them available to the committee on the same day that this large table indicating a \$16 billion loss was submitted; but did he present them? No. We had more or less to pry it out of him. This is the picture:

In connection with the price-support program for basic commodities, from October 17, 1933, to June 30, 1953, a span of 20 years, the losses on the basic commodities totaled \$20,720,931.

Taking each of the basic commodities, the table shows that the profit which the Government earned on cotton was \$268,219,477. With respect to tobacco, the operations during that period showed a profit of \$1,641,818. On peanuts, rice, wheat, and corn, we had some losses. Those losses are as follows: On corn, \$70,910,000; on peanuts, \$92,648,951; on rice, \$1,459,000; on wheat, \$95,127,450.

So the profits on cotton almost offset the combined losses on all the other commodities I have mentioned. Therefore I repeat—and I want the American people to know—that total losses on the price-support program for the 6 basic commodities for the past 20 years has not been \$16 billion, but \$20,720,931. It has cost us slightly more than \$1 million a year to maintain agricultural prosperity.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, as I understood the Senator's figures, they show a profit on cotton of \$268 million. Is it not a fact, and does not the Senator from Louisiana know it to be a fact, because he was chairman of the Committee on Agriculture, and prior to that the ranking Democratic member under the former chairman, Senator Thomas—that not only was there a profit on cotton, but the Department of Agriculture had to ban exports of cotton so that the cotton could be used in his country? In other words, by keeping the Government CCC cotton in this country the cotton mills were able to operate in the south, in New England and in other

places, and the mills, in turn paid tremendous amounts of taxes. Is that correct?

Mr. ELLENDER. That is correct.

Mr. MAYBANK. Is it not a fact that the workers and consumers of America benefited by the use of the Government stocks of cotton, which sold at from 35 to 45 cents a pound in this country, as against prices of 70 cents a pound and more, for a time, in Mexico and in South America during our crop failure?

Mr. ELLENDER. Those prices were as high as 80 cents a pound.

Mr. MAYBANK. The consumers of the country saved by purchasing their goods made out of the Government-stored cotton. Is that correct?

Mr. ELLENDER. That is correct.

Mr. MAYBANK. And the taxpayers saved because of the profit of \$268 million on cotton, is that correct?

Mr. ELLENDER. That is correct.

Mr. MAYBANK. It was possible to make that profit because the farmers were able to get the cotton under loans in the bumper years.

Mr. ELLENDER. The point the Senator is making is that the program has assured the people of the United States food and fiber at a reasonable price. As a matter of fact, while wages have been increasing, it is possible for a worker today to buy more food per wage-hour than in 1939.

Mr. MAYBANK. It has made it possible for the manufacturers of this country to stay in business. For example, a great deal of corn was stored. Certain factories would not have been able to stay in business if it had not been for the CCC corn. It is also true that the loss in corn was easily made up by the profits made by the people who used the corn, in taxes, and so forth.

Mr. ELLENDER. That is correct.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. STENNIS. The charge has been made that large sums of money have been lost entirely due to the 90-percent parity price and the rigid price-support program on the various commodities which have been mentioned. I wish to refer to the basic commodities which have been under the price-support program, particularly cotton. I understand the \$268 million mentioned by the Senator is the profit on cotton handled by the Commodity Credit Corporation, and that the figure of \$268 million was taken from the official records of the Secretary of Agriculture. Is that correct?

Mr. ELLENDER. That is correct. I am reading from the figures furnished by the Government. They are furnished by the Commodity Credit Corporation, which handles the price-support program.

Mr. STENNIS. Will the Senator from Louisiana state the period it represents? What is the period covered by the figures?

Mr. ELLENDER. From October 17, 1933, to June 30, 1953, a span of nearly 20 years.

Mr. STENNIS. I hope the whole country will know about those figures.



Since the other word has gone out all over the country, I hope this word will go out, too, so that the country may have the entire picture with reference to the program.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield.

Mr. LONG. Mr. President, based on the figures given by my distinguished colleague—and I understand he received the figures from the Department of Agriculture itself—the statement made by the Secretary of Agriculture, indicating that a program which has worked well for the farmer should be abandoned, was a statement to the effect that the program had cost a thousand-fold more than it has actually cost the taxpayer. Is that correct?

Mr. ELLENDER. That is correct.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I will yield in a moment. As I stated in my opening remarks, I do not know of one kind word that has come from the lips of Mr. Benson with respect to this program. On the contrary, he has spent much time in criticizing it. Instead of taking the present program—a good program—and trying to improve it, he has condemned it; called it all bad.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall yield for a question.

Mr. AIKEN. Will the Senator place the chart in the RECORD at this point?

Mr. ELLENDER. I shall gladly do so.

Mr. AIKEN. Does not that chart show that the loss on the price-support program was much higher than the \$16 billion the Senator has mentioned?

Mr. ELLENDER. That is not correct.

Mr. AIKEN. Will the Senator put the chart in the RECORD?

Mr. ELLENDER. I will put the whole chart in the RECORD.

Mr. AIKEN. There are two charts, I believe.

Mr. ELLENDER. I will put both charts in the RECORD.

Mr. AIKEN. The difference in the figures is due to the totals being made up at different times. There is a gap between the two figures, I believe.

Mr. ELLENDER. I shall put both charts in the RECORD. As I indicated, the chart which shows a loss to agriculture of \$16¼ billion includes the cost of the soil conservation program, the REA electrification program, the REA telephone

program, the farm credit system, and almost everything else connected with agriculture.

The Senator from Vermont will recall that the subject matter which was before our committee when Mr. Benson appeared was the price support program in particular. Why the other chart showing cost of overall agricultural programs was presented to us I cannot understand. I could see no reason for its being presented at that time except to muddy the waters.

Mr. AIKEN. Mr. President, will the Senator from Louisiana please tell the Senate how much on the chart is represented by processing taxes during the past 20 years?

Mr. ELLENDER. I do not have that figure before me.

Mr. AIKEN. That figure is not on the chart?

Mr. ELLENDER. No. I shall be glad to put the whole chart in the RECORD.

The point I am trying to make is that the program has been unduly and unjustly criticized. If it had not been for the fact that during World War II we had these surplus food and fiber products on hand, there is no telling what the ultimate cost to the consumers of this country would have been in money and in hardship, for in both instances I feel sure that if we had not had large stocks on hand, we would have had to pay high prices on world markets for them—if they could have been obtained—and imposed harsh food rationing, too. There is no telling what it would have cost the consumers of this country during the recent Korean war. The Senator well knows that if it had not been for the fact that we had the surpluses on hand, American consumers would have had to pay substantially higher prices for many essential food products, as well as for cotton textiles.

Mr. AIKEN. If the Senator from Louisiana will put the two charts in the RECORD, I shall be very happy.

Mr. ELLENDER. I shall do so.

Mr. AIKEN. Then the people of the country can read the charts for themselves and see how much of the \$16 billion cost has gone for each item on the chart.

Mr. ELLENDER. I shall do so. I shall also put into the RECORD the chart supplied by the Secretary of Agriculture which includes the \$2 billion subsidy program that was made available to the consumers. The Senator is familiar with it. He knows that under the pro-

gram, American consumers were able to purchase meat, for example, at low prices because of a Federal subsidy. The Senator knows this item did not benefit the farmer alone. That is not the point, however. The point is that it is absolutely wrong for any Senator or for Mr. Benson or anyone else to undertake to lead the public into believing that the 90 percent price support program has cost these enormous amounts of money, when as a matter of fact it has not cost anywhere near that much.

Mr. LONG, Mr. ANDERSON, and Mr. FERGUSON addressed the Chair.

Mr. ELLENDER. Mr. President, I do not wish to prolong the debate. I merely felt that the time was opportune to present these facts to the country.

I should now like to refer to the non-basic commodities, such as milk, butterfats, butter, cheese, dried cream, honey, potatoes, tung oil, and wool.

The total losses on the nonbasics was \$707,815,005. The greatest loss was incurred on the potato program, which we abandoned about 2 years ago. The loss on potatoes was \$478,097,057. As to the other nonbasics, which include barley, beans, castor beans, and so forth, that program cost \$381,600,000.

The entire price-support program for the period of 20 years, from October 17, 1933, to June 30, 1953, for both basics and nonbasics, cost \$1,110,136,889.

Those are facts, Mr. President. That is the story. So far as I am personally concerned, I shall continue to support the present farm program. If there is anything wrong with it, I want to try to make it better. I think we have a good program. I think we are on the right track. Why should we discard a program which has worked well, one which is tried and true, for one which is untried? But, above that, if any change is to be made, it must be a change or an improvement based on fact and not misleading figures.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a tabulation from the Department of Agriculture entitled "Realized Cost of Agricultural and Related Programs, by Function or Purpose, Fiscal Years 1932-53." This is the table submitted to the Agriculture Committee by Secretary Benson and which shows the misleading cost total of price-support programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:







Other special activities not a part of the agricultural programs of the Department:  
Special activities conducted by the Department under transferred funds as a service for other agencies (chiefly for purchase of commodities for lend-lease, UNRRA, mutual security and other foreign-aid programs).  
Government procurement of agricultural commodities for foreign-aid programs other than through the Department of Agriculture.

2.1	3.1	32.1	161.8	72.3	64.0	26.1	30.0	20.6	20.9	698.4	2,031.2	2,139.9	1,382.1	1,610.8	579.1	744.6	1,018.4	611.4	447.6	331.8	118.7	12,147.0
2.1	3.1	32.1	161.8	72.3	64.0	26.1	30.0	20.6	20.9	698.4	2,031.2	2,139.9	1,382.1	1,610.8	579.1	744.6	2,444.3	1,236.3	741.8	312.4	351.3	4,067.7
Total																						

<sup>1</sup> The expenditures under this program are for payment of the difference between the price specified in the International Wheat Agreement and the domestic market price of wheat. The program is essentially international in nature, and is included in this classification with the kinds of items to which it most nearly relates.

<sup>2</sup> Excess of credits, deduct.

<sup>3</sup> Exclusive of cash payments for school-lunch programs.

<sup>4</sup> The amounts shown include the purchase of 9,643,738 acres of submarginal land at a total cost of approximately \$60,061,000.

<sup>5</sup> The amounts shown include the purchase of 14,451,711 acres of land at a total cost of approximately \$93,532,000. Includes costs under the National School Lunch Act and sec. 32 funds used for cash payments for school-lunch programs.

<sup>7</sup> Includes \$9,300,000 representing the cumulative net loss of capital subscribed to the Regional Agricultural Credit Corporations which were liquidated in 1949.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation from the Production and Marketing Administration, Com-

modity Credit Corporation, entitled "Analysis of program results from October 17, 1933, through June 30, 1953," and which was submitted at my insistence.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

## SCHEDULE 8

Analysis of program results from Oct. 17, 1933, through June 30, 1953<sup>1</sup> (realized gains and losses)

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—						Oct. 17, 1933, through June 30, 1953
			1947	1948	1949	1950	1951	1952	
Price support program: <sup>1</sup>									
Basic commodities:									
Corn	\$20,078,488	\$14,336,569	\$278,492	\$27,030	\$66,187	\$17,189,119	\$748,839	\$1,783,916	\$20,526,523
Cotton	27,401,798	218,328,306	46,536,525	344,914	1,023,816	3,419,604	28,938,218	148,924	381,572
Cotton, Puerto Rican		126,011	4,187						
Cotton, export differential <sup>3</sup>		27,651,360	213,735,415	25,557					
Cotton, rubber barter		11,055,451							
Peanuts			727,481	2,757,330	23,794,910	40,592,601	14,584,837	8,670,873	2,975,881
Rice					1,786	1,293,780	53,071	57,271	277,861
Tobacco	2,107,589	7,074,300	7,437	59,800	115,524	195,495	71,450	1,014,923	2,759,676
Wheat	6,199,460	11,775,173	605,569	11,727	3,740,046	28,384,123	19,013,932	7,722,262	18,886,296
Total	55,787,335	182,568,944	34,415,902	3,055,644	28,507,649	83,844,524	5,284,869	215,417,947	45,807,809
Designated nonbasic commodities:									
Milk and butterfat:									
Butter						4,111,861	44,216,443	41,571	456,492
Cheese						1,031,078	24,040,464	31,405	14,708
Milk, dried			12,487	415,987	149,335	14,619,145	42,707,738	1,183,459	4,798,735
Honey				404,056	470,414		1,499	107	4,924
Potatoes, Irish <sup>4</sup>		25,197,222	262,920,977	47,405,542	203,886,603	75,090,315	63,437,281	85,459	73,658
Tung oil				4,747	306,844	30	233,811	1,154	451
Wool	176	15,834,163	33,454,669	19,501,357	12,707,148	10,755,942	142,596	86,610	15,290
Total	176	41,031,385	96,418,133	66,899,715	217,221,674	105,608,311	174,027,018	1,283,599	5,324,994
Other nonbasic commodities:									
Barley		40,019	50,550	275	672,499	2,608,939	1,790,903	2,807,078	2,195,112
Beans, dry edible		179,753	155	10	3,988	880,329	11,746,232	15,429,183	6,777,410
Castor beans		171,224		31					
Cotton, American-Egyptian		538,573	37,023	6,577	2				
Cottonseed and products						597,728	5,506,631	2,686,612	7,701,799
Eggs <sup>5</sup>		224,002	11,532,784	25,879,017	773,476	41,622,784	76,055,947	29,368,028	4,256,139
Flax fiber			6,100	179,852	155,842	67,464	55		
Flaxseed and linseed oil		22,209	2,727	40,293	1,163,915	3,765,056	57,520,995	4,683,190	1,422,997
Fruit, dried		109,489	15,563,385	445,757	299,337	46,315	855		
Grain sorghum		437,456	10,141		3,590,174	10,514,934	22,644,554	31,638	874,126
Grapefruit juice				1,732,374					
Hemp and hemp fiber		20,201,375	1,257,169	7,702	8,946	98	21	1,778	
Hops	162,036	792,164							
Naval stores	4,435,579	5,997,861	460	107,063	420,567	449,795	1,974,111	3,876	30,253
Oats			3,056	287	45,714	413,295	15,238	738,889	194,938
Olivo oil									
Peas, dry, edible		3,012	648		140	658,800	227,726	655	31
Pecans		3,751							
Rye	4,575	60,751	14,932		2,186	223,210	34,759	18,599	7,947
Seeds		148,193	18,660	13,731	364,337	74,026	295,452	537,879	4,050,655
Soybeans			2,741,090	4,987	26,054	1,754,206	139,442	1,574	24,893
Sugar, Puerto Rican and Virgin Island				23,830					
Sugar beets				11,859,187	4,658,082				
Sweetpotatoes			95	138,181	1,985	1,453	773		
Turkeys				3,708	495	44,458	29,185		
Vegetables, canned		6,888	12,631	6,281	82				
Total	4,602,190	15,944,584	9,892,605	55,401,647	9,032,671	59,777,004	166,286,667	50,650,030	10,013,555
Total price support	60,389,701	125,592,975	71,894,836	125,357,006	254,761,994	249,229,839	345,598,554	67,351,576	61,146,358
Supply program: <sup>10</sup>									
Cotton and lint		1,592,551	24,865	245,904	12,879				
Grains and seeds		23,969,000	23,792,977	19,094,280	4,548,038	2,981,607	722,558	437,204	405,837
Oils (bulk)		29,937	67,620	107,442	291,296	363,692	42,136	6,020	9,194
Tobacco		4,179,335	588,749						
General commodities purchase <sup>7</sup>			176,701,759	11,127,662	342,973	1,246,411	1,551,484	195,564	1,314,667
Processed and packaged commodities <sup>8</sup>			26,438,161	10,517,533	1,092,093	752,611	118,459	162,193	23,559
Sugar, Puerto Rican raw						37,157	567		9,439
Other		3,120,517	420,893	494,691	368,475	2,041	3,185		
Total supply program		26,650,306	227,193,238	41,587,512	5,232,858	2,886,615	2,665,713	409,853	1,762,696
Foreign purchase program: <sup>9</sup>									
Cotton		5,439,464	457,029	758			2,617	2,617	5,895,735
Fats and oils		22,543,441	17,955,560	1,491,644	53,306	1,524	37,417	2,550	38,915,608
Foodstuffs		4,620,232	2,441,131	1,555,187	102,305	47,482	17,755	9,770	5,680,872
Other		274,627	18,102	3,089			24,318	53,378	175,740
Total foreign purchase		32,228,510	20,871,822	3,044,500	48,999	49,006	7,273	57,981	2,616
Commodity export program:									
Cotton <sup>10</sup>		7,098,694	5,490,500	8,120	60,632	1,753	3,729	1,494	12,537,164
Wheat		1,209,445	618						1,210,063
Total commodity export		8,308,139	5,491,118	8,120	60,632	1,753	3,729	1,494	13,747,227

Footnotes at end of table.



## SCHEDULE 8

Analysis of program results from Oct. 17, 1933, through June 30, 1953<sup>1</sup> (realized gains and losses)—Continued

Program and commodity	Oct. 17, 1933, through June 30, 1941	July 1, 1941, through June 30, 1946	Fiscal year ended June 30—							Oct. 17, 1933, through June 30, 1953
			1947	1948	1949	1950	1951	1952	1953	
Storage facilities program.....		2 \$10,087,438	\$721,069	2 \$133,209	2 \$438,460	2 \$91,959	2 \$498,980	2 \$1,628,947	\$121,488	2 \$12,036,436
Accounts and notes receivable (chargeoffs).....		11,134	2 556,732	2 106,602	2 138,717	2 86,113	2 454,137	2 196,247	2 253,682	2 1,781,096
Total (excluding wartime consumer subsidy costs) <sup>11</sup> .....	2 \$60,389,701	166,187,348	70,843,443	87,061,925	249,996,682	246,470,537	347,213,840	268,707,442	2 59,518,472	2 782,327,808
Wartime consumer subsidy program <sup>12</sup> .....		2 2,130,581,589	22,364,160	4,025,128	2,235,782	2 113,351	2 258,372	266,423	74,623	2 2,101,987,196
Grand total.....	2 60,389,701	2 1,964,394,241	193,207,603	2 83,036,797	2 247,760,900	2 246,583,888	2 347,472,212	2 68,441,019	2 59,443,849	2 2,884,315,004

<sup>1</sup> Allocation of losses and gains as between "Price support program" and "Supply program" for the period prior to the fiscal year 1947 was made on the basis of an analysis completed in April 1949. Since accounting records maintained prior to July 1, 1946, did not provide for this segregation, it was necessary to analyze program results in detail and in some cases make an estimate of the distribution between "Price support" and "Supply" of the total operating result as shown by the accounting records. This analysis was based on all known factors concerning the operations with respect to each commodity.

<sup>2</sup> Denotes loss.

<sup>3</sup> Includes export differential on owned or pooled cotton only. Differential on exporters' cotton included under "commodity export program."

<sup>4</sup> Includes price support loss of \$2,829,639 on the 1943 and 1944 potato programs, which was formerly included under the general commodities purchase program.

<sup>5</sup> Includes price support loss of \$11,956,386 on the 1944 egg program, which was formerly included under the general commodities purchase program.

<sup>6</sup> Portion of overall supply and foreign purchase program effective July 1, 1952.

<sup>7</sup> Includes gain of \$178,697,602 carried as "Special reserve—general commodities

purchase program" as of June 30, 1946, and transferred to income in May 1947. Also see footnotes 4 and 5.

<sup>8</sup> During the period July 1, 1946, through June 30, 1949, activity under this program was reported as general supply program.

<sup>9</sup> Insofar as possible, operating results have been retroactively classified to correspond with current budgetary programs. In some instances, the accounts maintained prior to July 1, 1946, did not make possible a precise segregation of the results of foreign procurement operations.

<sup>10</sup> Includes export differential on exporters' cotton only.

<sup>11</sup> Includes losses totaling \$56,239,432 on price-support commodities disposed of in accordance with Public Laws 389 and 393, 80th Cong., i. e., transferred to foreign assistance outlets at a price equal to price of a quantity of wheat having equivalent calorie value. The Corporation was reimbursed for these losses by the Secretary of the Treasury.

<sup>12</sup> Subsidy losses on corn for alcohol, wheat for alcohol, and wheat for feed are included on an estimated basis. For detail of subsidy costs by commodities by fiscal years, see Report of Financial Condition and Operation as of June 30, 1949.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield for a question?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not correct to say that the 90 percent price-support program did not apply to the early years of the price support, but came into being only after we were in World War II and as a war measure?

Mr. ELLENDER. As a war measure the support level was increased; the support price was increased, for example, in the case of cotton, to 95 percent.

Mr. HOLLAND. From 75 percent, was it not?

Mr. ELLENDER. Yes.

Mr. HOLLAND. So it had been 75 percent up to the time we became involved in World War II?

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. And that is also true with respect to the other basics, is it not?

Mr. ELLENDER. As to them the 90-percent support program came into being during the emergency, under the sponsorship of Representative Steagall, of Alabama and Senator Bankhead, also of Alabama. The program was made to apply to certain nonbasics in a mandatory form.

Mr. HOLLAND. It is correct to say, is it not, that prior to World War II the program applied only to basics and that the rate of support was very much lower than that which was written in during the war?

Mr. ELLENDER. The Senator is correct.

Mr. HOLLAND. The fact that there were no heavy losses sustained in the early days is in no sense a defense of the 90 percent price-support structure now, is it?

Mr. ELLENDER. I am wondering what the losses would have been to the American people were it not for the fact that there were large supplies of these commodities on hand when war broke out. The Senator well knows that prior to World War II and prior to the con-

flict in Korea, had there not been large surpluses on hand there is no telling what it would have cost the consuming public to obtain precious food and fiber.

Mr. HOLLAND. I should like to ask this question: Is it not a fact that the very heavy losses now being sustained, particularly as to wheat and corn, on the 90-percent price-support basis, are something new, and which could not have occurred either under the old program prior to the war or during the war when there was, of course, need for all the food we could produce?

Mr. ELLENDER. When the Senator talks about enormous losses, let me say that I thought I had pointed out that the greatest loss during the entire period on all six basics was only \$20,720,000.

Mr. HOLLAND. If the Senator will permit one more question, I think he will have to recognize the fact, will he not, that the pending measure to restore over \$700 million of capital to the Commodity Credit Corporation due to its losses is because of losses sustained in 1953 alone, and that the major part of the losses was sustained in the field of wheat and corn?

Mr. ELLENDER. The Senator is correct. As was pointed out, it was due to the heavy inventories. As the Senator knows, we have now on hand some corn which has been in storage since 1948.

Mr. HOLLAND. It went into storage under a 90-percent program, did it not?

Mr. ELLENDER. That is correct. That corn could have been sold at a profit 2 years ago, but it was not sold. It was considered advisable then not to deplete our reserve stocks of food, for no one knew what the future would bring.

I want to go back to the losses prior to 1953. The Senator asked about them, and I have the information before me.

The loss on the program from October 17, 1933, to June 30, 1941, which is about the time the Senator has mentioned, was \$55,787,355.

The losses sustained on corn at that time amounted to \$20 million plus; on cotton, \$27 million plus; on tobacco, \$2 million plus; on wheat, \$6 million plus.

Mr. HOLLAND. The Senator knows, of course, that after we were in the war and there was an increased need, those losses were written off, because the surpluses on hand were used in pursuance of the obtaining of war supplies.

Mr. ELLENDER. The statement does not show that. It shows the entire losses as against the gains, and it is well indicated on the chart which I have just inserted in the RECORD.

Mr. HOLLAND. Does not the Senator know that more than \$200 million profit was gained by the Government from the sale of cotton which had been taken over during prewar years and which was in surplus and which found an immediate demand when we got into the war?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. It took World War II to prevent what would have been a disastrous surplus under the small support-price program which made 75 percent the normal basis of support.

Mr. ELLENDER. The Senator from Florida is correct. But can he imagine what would have happened to our war effort, to our economy, to our people, if there had not been a surplus on hand of cotton, corn, and other commodities when war broke out in 1941, and in 1950 when the Korean conflict began?

Mr. MAYBANK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MAYBANK. Mr. President, the reason for the surplus was because there were no American exports. We could not export any cotton from New Orleans or any wheat down the St. Lawrence River, because of the tieup in shipping. If World War II had not occurred, there would have been a normal amount of exports, and the situation would not have been so bad as my good friend from Florida thinks it might have been, because we were exporting 5 million bales



of cotton and millions of bushels of wheat before the war.

Mr. ELLENDER. Mr. President, there is something else we should not forget. Only 2 years ago, after the Korean war started, the cry was, "Food will win the peace. Produce all you can." That was what the administration told the farmers, and the farmers responded—they proceeded to plant and to produce enormous amounts. If it had not been for the war, there is no question but that the law on the statute books could have been put into effect by reducing the acreage in wheat and reducing the acreage in cotton and in other commodities, and I am satisfied that the program for cotton, wheat, and other basics could have been made to respond in the same manner as it did with respect to tobacco. If our administrators, our planners, had not pressed the American farmer, if they had not kept telling him that vast stocks of these commodities would be needed, I feel certain we would not be faced with burdensome surpluses today.

Mr. President, to me the strange thing about the President's recommendations and Mr. Benson's recommendations is that they want to continue the tobacco program. Why? Because it lost no money, they say that program worked well. Why did it work well? Because the farmers who produced tobacco agreed to limit their production to meet the demand. I say the same thing could have occurred with respect to other basics.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. At this time I shall not go into the reason why the tobacco support price is on a vastly sounder basis than in the cases of other commodities.

I could not more thoroughly agree with the Senator from South Carolina [Mr. MAYBANK] in his statement that we are all happy that there was a surplus of cotton on hand when we got into World War II. The point of my remarks, which I wish to call especially to the attention of the distinguished Senator from Louisiana, is that that surplus was created under a 75 percent price-support program. What I objected to, and what I think the Nation must realistically come to grips with, is the fact that the artificial 90 percent rigid price-support structure which was enacted as a war measure, and necessarily and properly so, has no place in the present picture. It is simply bringing destruction to the very cause it is trying to serve, because it is piling up huge surpluses which, under the bill now being considered, are shown to have sustained tremendous losses, simply from deterioration, during the fiscal year 1953.

The whole point of my remarks was that the support-price program as now set is a wartime program, but is being continued in time of peace.

I wish to address one more question to the distinguished Senator from Louisiana. Does the Senator know of any other war program that was initiated during World War II, and I am thinking of price controls, wage controls, rent

control, limitation of shipments, quota programs, and the like—does the distinguished Senator know of any other program, affecting any other large groups of citizens in our Nation, and enacted as a war measure, which is still in force and is being insisted upon as a continued part of the peacetime economy?

Mr. ELLENDER. Those programs no longer are necessary. But I say this to the Senator from Florida: World War II and the years since have brought us increased wages, increased living costs, increased everything. Only in the price of food has the increase been slowed. It is possible today, for example, for a worker to buy more food per wage hour, than was possible 15 years ago. So the Senator's proposition boils down to putting the skids under the farmer while the other workers keep reaping increased wages. It would mean that price supports would be lowered while the minimum wage remains at 75 cents an hour, and believe me when I say that I have no bone to pick with the American worker. However, the theory advanced by the Senator from Florida boils down to reducing price supports for agricultural products to pre-World War II levels, while prices, wages, all the farmers' costs—remain at levels much higher than those prevailing before World War II, during World War II, or immediately after World War II.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. I think the Senator from Florida understands that farmers are still paying wartime prices and more for the things he has to buy. Everything farmers have to buy is at an all-time high. There has not been a scintilla of evidence presented to prove the flexible price supports—75-90—will do any more to solve the problem of surpluses than 90-percent price supports.

I may add that in 1950 wheat farmers and cotton farmers wished to curtail their production. They had voted for quotas. But because of war needs, the quotas were again abandoned, and the farmers were asked to increase their production. Only last year the Department of Agriculture, which is now crying about the surplus of corn, asked the farmers to increase their corn production for last year. It simply does not make sense.

Mr. FERGUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. UPTON in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Daniel	Hill
Anderson	Douglas	Hoey
Barrett	Duff	Holland
Beall	Dworshak	Ives
Bennett	Eastland	Jackson
Bricker	Ellender	Jenner
Bridges	Ferguson	Johnson, Colo.
Burke	Fulbright	Johnson, Tex.
Bush	George	Johnston, S. C.
Butler, Md.	Gillette	Kefauver
Butler, Nebr.	Goldwater	Kennedy
Byrd	Gore	Kilgore
Case	Green	Knowland
Chavez	Griswold	Kuchel
Cooper	Hayden	Langer
Cordon	Hickenlooper	Lehman

Long	Morse	Smith, N. J.
Magnuson	Mundt	Sparkman
Malone	Murray	Stennis
Mansfield	Neely	Thye
Martin	Payne	Upton
Maybank	Potter	Watkins
McCarran	Purtell	Welker
McCarthy	Robertson	Williams
McClellan	Russell	Young
Millikin	Saltonstall	

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Kansas [Mr. SCHOEPP] are necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Maine [Mrs. SMITH], the Senator from Wisconsin [Mr. WILEY] are absent on official business.

Mr. JOHNSON of Texas. I announce that the Senator from Kentucky [Mr. CLEMENTS], the Senator from Delaware [Mr. FREAR], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from North Carolina [Mr. LENNON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The PRESIDING OFFICER (Mr. UPTON in the chair). A quorum is present.

#### ATTITUDE OF SENATOR MORSE REGARDING AGREEMENT TO VOTE ON HOUSE JOINT RESOLUTION 358

Mr. MORSE. Mr. President, I wish to say now, because I have to leave the city to make a speech elsewhere tonight, that I have entered into an agreement with the majority leader that if he should ask for a unanimous-consent agreement to consider and vote on the joint resolution proposing to discharge of indebtedness of the Commodity Credit Corporation on Monday, the Senator from Oregon would consider it one of the rare exceptions to his policy of not agreeing to unanimous-consent requests. I think it is only right that I make this statement at this time.

The measure happens to be of a minor nature, but it is an emergency measure which calls for the immediate attention of the Senate and does not call for any considerable debate. I desire to make it very clear that I shall not, as a matter of policy, agree to any unanimous-consent request to vote on any matter which I consider to be of major importance. As I said good naturedly a day or two ago, but very truthfully, perhaps 7 out of 10 times when there is a unanimous-consent agreement to vote on a certain issue on a certain day, time is lost rather than saved. A few days ago I objected to a unanimous-consent request to vote on the St. Lawrence seaway matter when it was suggested that a vote be taken on a Monday or even on a Tuesday, and my objection resulted in the Senate saving from 3 to 4 days' time,



because the vote was taken on the next evening instead of some 3 or 4 days later.

Furthermore, Mr. President, because I have been subjected to some criticism with reference to my policy, let me say that agreements to set a certain time at which to vote are one of the great causes of inefficiency in the Senate. When an agreement is entered into to vote on a certain date, not a corporal's guard remains on the floor during the intervening days. Senators are attending to other matters. The place to decide major issues before the Senate is on the floor of the Senate, and not off the floor. The people of the Nation sent us here to deliberate in this parliamentary body and to be on the floor of the Senate when issues are before the Senate. My vote has been changed a great many times on the floor of the Senate by evidence, information, and argument presented on the floor during debate.

Whether or not any Member of the Senate likes it makes no difference to the junior Senator from Oregon. I think I know what the purpose of debate in the Senate should be, under the historic development of our Government, and I intend, as a general policy, with reference to any major issue in the Senate, to agree to vote when we have finished debate and not until we have finished debate. If it is shown to me that there is an exceptional situation which warrants a modification of that policy, the representative of the Independent Party will not hesitate to modify it.

I am convinced, Mr. President, that House Joint Resolution 358 is an emergency measure, minor in nature, and, as I have said, my policy is not in any way jeopardized by making an exception in this instance, and I shall make an exception in this instance.

Mr. KNOWLAND subsequently said: Mr. President, I am going to propound a request unanimous-consent agreement relative to the Commodity Credit Corporation measure which was before the Senate a short time ago. However, before doing so, I shall suggest the absence of a quorum, in order that Senators may be advised of the unanimous-consent request.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I now submit a proposed unanimous-consent agreement, and ask that it be read, for the information of the Senate.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

*Ordered*, That beginning at 1 o'clock p. m. on Monday, February 1, 1954, debate upon any amendment or motion (including appeals) that may be pending or that may

thereafter be proposed to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation be limited to not exceeding 1 hour to be equally divided and controlled by the mover of any such amendment or motion and Mr. BRIDGES: *Provided*, That if Mr. BRIDGES is in favor of any such amendment or motion the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment or motion that is not germane to the subject matter of said joint resolution shall be received.

*Ordered further*, That upon the question of the final passage of the joint resolution, debate shall be limited to not exceeding 2 hours, to be equally divided and controlled by Mr. BRIDGES and Mr. WILLIAMS, respectively.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, let me say, for the information of the Senate, that I have discussed this matter with the minority leader, the Senator from Texas [Mr. JOHNSON], with the distinguished Senator from Delaware [Mr. WILLIAMS], and with various other Senators who have been interested in the subject matter. I have also discussed the proposed agreement with the junior Senator from Oregon [Mr. MORSE]. I understand that subsequent to my discussion with him, and while I was absent from the Chamber, he indicated he would have no objection, because of the emergency nature of the situation.

Mr. WILLIAMS. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. WILLIAMS. I am perfectly willing to go along with the unanimous-consent agreement. I suggested it earlier this afternoon, because I have no desire to delay the Senate's action on the joint resolution.

I thought it proper that action on the measure be deferred until we had a chance to study it and to obtain a breakdown of what was requested. Now that has happened, so I have no objection to the proposed unanimous-consent agreement.

Mr. ANDERSON. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. If no amendments are to be submitted, I believe that 2 hours' time on the joint resolution will be a little short. If a series of amendments are submitted, I would not worry about the length of time to be provided.

Earlier today, after the prior discussion, I telephoned the Department again, to make inquiry regarding what happened the last time there was a replacement of capital, because of impairment. It was on June 30, 1952; and the total capital impairment at that time was \$96 million. I asked them how it jumped in 1 year to \$609 million, when the inventory was less than \$2 billion. They are trying to put together some figures. I think the matter is worthy of complete discussion.

Mr. KNOWLAND. Would the Senator from New Mexico prefer to have 3 hours provided?

Mr. ANDERSON. I shall not object if the majority leader prefers to have the

allowance remain at 2 hours, because I am not trying to hold up the proposed agreement. However, I should like to have the majority leader propose that 3 hours be allowed, if that will be agreeable to him.

Mr. KNOWLAND. Mr. President, I now modify the proposed unanimous-consent agreement so as to provide that upon the question of the final passage of the joint resolution debate shall be limited to not to exceed 3 hours, to be fully divided and controlled in the way previously proposed.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request, as modified, of the Senator from California? The Chair hears none. Without objection, it is so ordered.

The unanimous-consent agreement, as entered, is as follows:

*Ordered*, That, beginning at 1 o'clock p. m. on Monday, February 1, 1954, debate upon any amendment or motion (including appeals) that may be pending or that may thereafter be proposed to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, be limited to not exceeding 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and Mr. BRIDGES: *Provided*, That if Mr. BRIDGES is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment or motion that is not germane to the subject matter of said joint resolution shall be received.

*Ordered further*, That upon the question of the final passage of the joint resolution, debate shall be limited to not exceeding 3 hours, to be equally divided and controlled by Mr. BRIDGES and Mr. WILLIAMS, respectively.

#### ORDER FOR RECESS UNTIL MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until noon, on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR CONSIDERATION ON MONDAY OF COMMODITY CREDIT CORPORATION JOINT RESOLUTION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate meets on Monday, the unfinished business, the so-called Bricker amendment, be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 358, Calendar 889, to discharge indebtedness of the Commodity Credit Corporation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### ADDRESS BY N. K. CARNES BEFORE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. AIKEN. Mr. President, on January 14, Mr. N. K. Carnes, president of the Central Cooperative Livestock Marketing Association of St. Paul, Minn., delivered a very excellent address before



the National Cattlemen's Association at Colorado Springs, Colo. I believe this address would require a little more than 2 pages in the Appendix of the RECORD. I therefore ask unanimous consent that Mr. Carnes' address be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Hyatt, members of the American National Cattlemen's Association, ladies and gentlemen, I sincerely appreciate, the very generous introduction that has been accorded me this morning, by my good friend, and your capable, efficient, hardworking, and courageous president, Sam Hyatt. I assure you, that I am not unmindful of the special privilege that has been extended to me, through the invitation to appear on an annual meeting program of your great association, representing a very high percentage of the cattle producers and growers of America.

It would seem to be a waste of time, at this point on your program, for me to attempt to outline to you people, the numerous accomplishments of your splendid organization over a period of years, but in passing, I wish to congratulate your officers, directors, management, and members on the most excellent service that it has rendered, not only to the livestock and meat industry of this country, but to our entire economy, during the 57 years of its existence.

During the past several years, it has been my privilege and pleasure to meet, and work with many of the leaders of your association, including Sam Hyatt, Jay Taylor, Albert Mitchell, Frank Boice, L. M. Peyton, A. D. Brownfield, Joe Montague, William Wright, Loren Baemert, Ray Willowby, Jack Roach, F. E. Mollin, Radford Hall, and many others. It is definitely my opinion, that these men have always worked diligently, tirelessly, honestly, and courageously, for what they considered to be the best interests of your association, and the cattlemen of this country in general. You are, indeed, fortunate, ladies and gentlemen, to have men of this type actively interested in the affairs of your association.

When I informed a close friend of mine a few days ago, that I had accepted the kind invitation extended by your able executive-secretary, Mr. F. E. Mollin, to appear on your speaking program, to discuss the subject assigned (and not selected by me), he suggested that I proceed with my presentation in about the same manner as a porcupine makes love. Of course, I asked him how a porcupine makes love, and he answered, "cautiously."

I informed my adviser, that I considered the leaders of the American National Cattlemen's Association my very good friends and coworkers, and that I welcomed an opportunity to speak frankly and openly to this representative group of sound-thinking farm and ranch people, concerning some of the present-day problems of the livestock and meat industry, and the possible sound and practical solutions of them. I should like to make clear at this time, that it is not my desire or intention to make (and I will not make) a prejudicial, biased, or partisan talk on the subject assigned, and that I come before you today only as an American citizen, with an agricultural background, who is primarily interested in the livestock and meat industry of this country, and the general welfare of our Nation.

If we are to carefully and properly analyze the present-day situation in the livestock and meat industry, we must briefly review some of the developments of the past. I am certain that everyone in attendance here today fully realizes that during the 4 or 5 years prior to 1952, cattle production in the United States was stimulated by a rise in

the general level of all prices, by a rise in the cattle price cycle, and by favorable weather and growing conditions, that resulted in the production of an abundance of feed. Quick and handsome profits, occasioned by comparatively high prices, encouraged the in-and-outers, the inexperienced operators, and the speculators, to enter the cattle production and marketing business in large numbers. It was appropriately said by Prof. Don Paarlberg, formerly of Purdue University, and now an adviser in the United States Department of Agriculture, that about all one needed to be a successful cattleman during those lush years, was a "western hat and a line of credit."

The Office of Price Stabilization, with its unworkable rules and regulations, including ceilings, rollbacks, and compulsory grading, interfered with the orderly marketing and merchandising of meat, and caused many producers to hold their livestock, including breeding stock, off the markets of this country. On January 1, 1953, cattle on the farms and ranches of the United States had reached the record number of 93,700,000 head, with what appeared to be about 2 more years to go in the upward trend of a normal cattle-production cycle, with 98 to 99 million cattle a possibility by 1955 or 1956. In 4 years, the cattle population increased 22 percent, from the 77 million head on the farms and ranches in 1949. As a result of these several developments, that materially increased cattle numbers, cattle prices traveled downward quite rapidly for a period extending over 2 years. The average prices received by farmers and ranchers for all grades of cattle in April 1951 were at an all-time record high of \$30.30 per hundredweight. By December 15, 1953, the average price had declined to \$14.80 per hundredweight. This represents a price decline of 51 percent. I should like to point out, in fairness to all concerned, that approximately 67 percent of this decline in cattle prices occurred prior to January 1, 1953.

The result of this drastic price decline, without an accompanying drop in production costs, has been tremendous financial losses for a large number of cattle producers and feeders. Definitely, they have been the victims of a vicious price-cost squeeze. While the prices of live cattle were declining, the prices paid by farmers and ranchers for the things that they found it necessary to buy to carry on their operations were steady, or higher.

I should like to point out that this drastic slump in cattle prices did not occur as a result of general recession, or depression conditions. It occurred during a period of record employment and extremely high consumer incomes. It was simply a situation where we had produced, and were moving, too many cattle to be cleared, or marketed, at satisfactory prices for the producers with their comparatively high feed, labor, and other costs, supported to some extent by the Federal Government.

To further aggravate an already bad situation, drought conditions in the South and Southwest forced the heavy liquidation of many cattle from those areas. However, I should like to mention at this time that representatives of the United States Department of Agriculture called a meeting of the Livestock and Meat Industry Advisory Committee and asked for recommendations as to how to proceed to meet this situation. In brief, the committee recommended a program of liberal credit to the established growers, who were deserving of credit, but were unable to secure it from private or cooperative sources, a release of stored feed by the Commodity Credit Corporation at prices the eligible grower could afford to pay, lower freight rates on feed moving into the distressed areas and livestock moving out, and, finally, a Federal-State hay supply program. I am happy to report that the recommended program was readily accepted and developed by representatives of the United States Depart-

ment of Agriculture and the Federal administration. I have been informed that a high percentage of the breeding herds and foundation stock in the distressed area was saved. The deplorable and devastating drought conditions, which definitely threatened disaster to the livestock industry in the Southwest, and indirectly to the country as a whole, clearly justified in the minds of everyone the assistance given by the Federal and State Governments. I understand that some rain has come to the distressed areas of the Southwest, and that conditions in that part of the country have improved materially. I assume, however, that much moisture is still needed.

Now, let us study and attempt to soundly and practically analyze, without prejudice, some of the proposed suggestions for improvement of the present situation in the livestock and meat industry, where we have large supplies of cattle and low prices compared to a few years ago. There are some people who sincerely and honestly believe that direct Government price supports are the answer to our problem. It would seem to be inadvisable and unnecessary for me to attempt to outline to the members of the American National Cattlemen's Association the development of the well-known Government price support program that extends back through the years to the depression of the 1930's. I am certain that we will all agree that there have been times in the history of American agriculture when direct price supports for some commodities seemed to be desirable and necessary to prevent complete disaster in certain segments of the agricultural industry. However, the application of high direct supports under the congressional acts of 1938, 1948, and 1949 has been accompanied by many difficult and intricate problems. I think it is quite generally recognized that prices supported above the level which a free market would establish will stimulate production and generally create surpluses unless such a program is accompanied by restrictions on the rights to produce and sell, which is definitely contrary to our American traditions. High rigid price supports can result in pricing the supported commodities out of the domestic and foreign markets (butter, eggs, and potatoes are splendid examples) and may necessitate the raising of tariff walls to prevent supporting those commodities on the markets of the world, and this at a time when the State Departments of two different Federal administrations, representing different political faiths, have thought it advisable and desirable to encourage foreign trade rather than direct dollar aid.

The leaders in the livestock and meat industry of this country, including your great American National Cattlemen's Association, the American Meat Institute, American Farm Bureau Federation, the National Grange, the National Livestock and Meat Board, the National Livestock Producers Association, Central Livestock Association, and many others, do not believe that direct price supports should be applied to live animals because they know very well, from past experiences, that they are not practical and will not work. Such a program would necessitate a different support price for each class and grade of cattle. There are many classes and grades, and each grade represents different values, which fluctuate seasonally and by areas. If such a program were attempted, who would do the grading? Direct price supports on cattle would require a tremendous army of Government employees to administer, and where could the thousands of trained men be found? The program would necessitate large appropriations by the Congress of the United States of the taxpayers' money. The farmers and ranchers would be placed in a position where they would be dependent upon Government appropriations for a fair return on their cattle. The level of price supports would have to be changed constantly to avoid









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 2, 1954

For actions of February 1, 1954

83rd-2nd, No. 18

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: Senate passed measure to restore CCC's capital impairment, etc. Agreed to Williams and Anderson amendment to limit amount to \$245 million. Senate conferees were appointed. President approved cotton acreage allotment bill. Sen. Mansfield introduced and discussed bill to stockpile wheat.

## SENATE

1. COMMODITY CREDIT CORPORATION. Passed H. J. Res. 358, to discharge CCC indebtedness to the Treasury, with an amendment by Sens. Williams and Anderson decreasing the amount for impairment of capital to \$114,283,062 (previously \$609,930,933). The bill as passed would provide \$114,283,062 for capital impairment, \$129,816,634 for the International Wheat Agreement, and \$2,069,911 for foot-and-mouth disease eradication. Sens. Bridges, Young, Ferguson, Aiken, Russell, Hayden, and Ellender were appointed as conferees. (pp. 1015-22)
2. TREATIES. Continued debate on S. J. Res. 1, proposing a constitutional amendment to restrict the President's treaty power (pp. 1007-08, 1022-38).
3. FARM PROGRAM. Sen. Langer inserted a Leeds, N. Dak., Civic Club resolution favoring 100% of parity for basic farm crops, continued production control, and a soil-conservation program, and opposing flexible price supports (p. 1004).
4. SOCIAL SECURITY. Sen. Kennedy inserted a Massachusetts Legislature resolution urging removal of the \$75 limit on earnings under social security (pp. 1004-05).

## HOUSE

5. FORESTRY. The "Daily Digest" states that the Interior and Insular Affairs Committee "agreed to the committee amendments which will be offered during House consideration, to H.R. 4646, to permit Government acquisition for public uses of privately owned lands which are being managed on a sustained-yield basis or primarily for the growing of timber in exchange for public lands of equal value, etc." (p. D87).
6. FLAG; LAW PRACTICING. The "Daily Digest" states that a Judiciary Subcommittee reported adversely on the following bills: H.R. 139, to make it a Federal offense to use the U.S. flag for advertising purposes, or to mutilate, defile, or



cast contempt upon it; H.R. 1020 and 3417, prohibiting use of the U.S. flag for advertising purposes; H.R. 485 and 1744, making eligible for practice before any administrative agency, members of the bar of the highest court of a State, etc.; and H.R. 2117, providing that members of the U.S. district court bar shall be eligible to practice before all administrative agencies (p. D87).

#### ITEMS IN APPENDIX

7. PERSONNEL. Sen. Johnston inserted a Washington Post article, "Political Fakery in Security Figures," criticizing the present security-risk program (pp. A730-1).
8. DAIRY PRODUCTS. Sen. Thye inserted an Evening Star article which included excerpts from a letter written by E. M. Norton, executive director, Nat'l Milk Producers' Ass'n, discussing dairy-products prices and a proposed "self-help" program for dairy-price stabilization (pp. A732-3).
9. TREATIES. Various insertions favoring and opposing the proposed Bricker amendment to limit the President's treaty-making power (pp. A730, A733, A737-9, A742-3, A743-4, A745).
10. ST. LAWRENCE SEAWAY. Sen. Wiley inserted a statement he had prepared and also newspaper articles, editorials, and correspondence favoring this proposed project (pp. A740-2).

#### BILLS INTRODUCED

11. ROADS. S. 2859, by Sen. Case, to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways; to Public Works Committee (p. 1005). Remarks of author (pp. 1005-6).
12. WHEAT. S. 2861, by Sen. Mansfield, to provide for stockpiling 500 million bushels of wheat; to Agriculture and Forestry Committee (p. 1005). Remarks of author (p. 1006).
13. FARM LABOR. S. 2862, by Sen. McCarran, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders; to Judiciary Committee (p. 1005).

#### BILLS APPROVED BY THE PRESIDENT

14. RECLAMATION. S. 727, to provide that certain costs and expenses incurred in connection with repayment of contracts with the Deaver, Willwood, and Bell Fourche Irrigation Districts shall be nonreimbursable. Approved January 30, 1954 (Public Law 289, 83rd Cong.).
15. COTTON ACREAGE ALLOTMENTS. H.R. 6665, establishing cotton acreage allotments for 1954, authorizing purchase of Irish potatoes with section 32 funds, and permitting the Secretary to allot additional acreage for special wheat types in short supply. Approved January 30, 1954 (Public Law 290, 83rd Cong.).

When the President signed this bill he issued the following statement:

"I have today approved H. R. 6665, 'To amend the Agricultural Adjustment Act of 1938, as amended.'



gest a time tomorrow when the resolution might be considered?

Mr. KNOWLAND. I wanted to keep the matter a little flexible, in order to try to oblige the Senator from Louisiana and the chairman and the other members of the committee, but I should think it would be brought up perhaps following the morning hour.

#### DISCHARGE OF INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

The PRESIDING OFFICER. The hour of 1 o'clock having arrived, in pursuance of the unanimous-consent agreement entered into last Friday, the Chair lays before the Senate House Joint Resolution 358, relating to the discharge of the indebtedness of the Commodity Credit Corporation. The clerk will read the unanimous-consent agreement.

The legislative clerk read as follows:

*Ordered*, That beginning at 1 o'clock p. m. on Monday, February 1, 1954, debate upon any amendment or motion (including appeals) that may be pending or that may thereafter be proposed to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation be limited to not exceeding 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and Mr. BRIDGES: *Provided*, That if Mr. BRIDGES is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the subject matter of the said joint resolution shall be received.

*Ordered further*, That upon the final passage of the joint resolution, debate shall be limited to not exceeding 3 hours, to be equally divided and controlled by Mr. BRIDGES and Mr. WILLIAMS.

Mr. BRIDGES. Mr. President, the measure under consideration is the joint resolution which the Committee on Appropriations reported to the Senate on Thursday last, providing for the discharge of indebtedness of the Commodity Credit Corporation.

The joint resolution, which was considered by the Senate on Friday last, calls for the cancellation of notes which are owing by the Commodity Credit Corporation to the United States, totalling \$741,548,788, broken down as follows:

CCC capital impairment, \$609,930,933.  
International Wheat Agreement, \$129,553,795.

Eradication of foot-and-mouth disease, \$2,064,060.

As the Senate knows, the Commodity Credit Corporation is the agency which the United States Government uses to support farm prices under the Agricultural Adjustment Act, which is on the statute books. The Commodity Credit Corporation is an instrumentality of the Federal Government; it belongs to the Federal Government; and whatever it owes, in effect the Federal Government and the people of the United States owe.

The arrangement regarding the Commodity Credit Corporation is an unusual one. A Government corporation owes to the Government the amount of money I have mentioned. The law requires that the Commodity Credit Corporation

support a number of commodities at various price levels.

When witnesses on behalf of the Commodity Credit Corporation appeared before the Senate committee last Monday they testified that all credit except an amount of \$16 million had been exhausted, and pointed out that, at the rate at which the credit was being used, in supporting the market by purchases and by loans, probably by the time the joint resolution was passed by the Senate, which we thought would be Friday, their credit and funds would be exhausted.

However, there was a certain amount of indefiniteness regarding the situation. The Committee on Appropriations felt that it had been put in a very unusual and very embarrassing position because the Commodity Credit Corporation appeared before the committee on the previous Thursday, the joint resolution having passed the House on Wednesday, and demanded action on a measure involving more than \$761 million, with the statement that if the joint resolution were not passed immediately—and the committee was told subsequently, the next day, by Friday—the Commodity Credit Corporation would be forced to send 7,500 telegrams to banks and 3,000 telegrams to county organization committees throughout the country, stating that the Commodity Credit Corporation had no more money, and that the loan-support program of the Federal Government, as represented by the Commodity Credit Corporation, would have to end.

As a result, the distinguished Senator from Delaware [Mr. WILLIAMS] objected to the consideration of the joint resolution on Friday last and stated that he desired more time.

The Senator from New Hampshire conferred with the Secretary of Agriculture, Mr. Benson, who, I assume, indirectly has supervision over the Commodity Credit Corporation. We were successful in getting the Commodity Credit Corporation to withhold sending the telegrams, certainly until today. We also succeeded in obtaining a unanimous-consent agreement to vote on the joint resolution today.

Technically and physically, that is the situation which we face as the measure comes before the Senate today. The Senator from New Hampshire, speaking for the Committee on Appropriations, believed that we should have accepted figures identical with those passed by the House for the following reasons:

First, because our action, at best, was superficial; second, because the committee felt that, if there was the urgency mentioned, if the Senate should accept figures identical to those passed by the House, after the House had considered them, the joint resolution would not have to go to conference, and could go directly to the President for his signature.

The situation is the same today. The Senator from New Hampshire, speaking for the Committee on Appropriations, states that the desire is to have the joint resolution passed as it now stands. If the distinguished Senator from Delaware [Mr. WILLIAMS] and the distinguished Senator from New Mexico [Mr. ANDERSON] have other plans or amendments to

offer, the Senator from New Hampshire will yield the floor in order that they may present them.

Mr. WILLIAMS. First, Mr. President, I should like to say that there has been no thought on the part of anyone to have funds withdrawn from the Commodity Credit Corporation or to handicap them in carrying on their functions. What we were objecting to was the manner in which on last Friday it was demanded that the joint resolution giving them \$741 million be passed, with the threat that if it was not passed that day they were going to send out 7,500 telegrams authorizing a closing down of the program. Included in this request for \$741,548,788 was an item of \$609,930,933, of which an accounting could be made for only \$114,283,062. That left a request for \$495,647,871, which was described only as prospective losses expected to be taken at some later date. It is rather interesting to note, and I think the RECORD should show, that the two gentlemen from the Department of Agriculture who last Friday were quoted on the floor of the Senate, Mr. Lionel C. Holm, the executive assistant to the Administrator, and Mr. J. J. Somers, the Budget Director, both held exactly the same positions under the former Secretary of Agriculture, Mr. Charles F. Brannan. Those two gentlemen were some of the holdovers from Mr. Brannan's administration of the Department of Agriculture, and those are the two gentlemen who told the Senate, in effect, that if the Senate did not take immediate action they would shut down the entire program.

I serve notice now to this agency and to any other agency of the Government not to try again in such a manner to have a measure passed by Congress.

In regard to the need for studying this matter, I wish to say that as of the present moment I do not have—and I do not think the Senator from New Mexico [Mr. ANDERSON] or any other Member of the Senate who has been trying to obtain the facts has—a digest of the figures which have been submitted. I received at only 10 minutes before 12 today the report from the Department of Agriculture. I hold it in my hand at this time. My colleagues can see how voluminous it is. Certainly it is physically impossible for anyone to study these figures in 10 minutes. However, such figures as we have show that the program will stand a great deal more study.

I should like to call the attention of the chairman of the Appropriations Committee to several of the items shown in the breakdown.

I am now referring to the breakdown as finally submitted to the Appropriations Committee and as appearing in the CONGRESSIONAL RECORD of January 27, 1953, page 854. I notice the Commodity Credit Corporation has asked Congress to write off various amounts of losses. For instance, in the case of dried milk, the suggested writeoff is \$56,067,409. That is the item for capital impairment in the case of dried milk. Accompanying the same report is schedule 14, which appears on page 30 of the June



30, 1953, report, listing the various commodity inventories. There my colleagues will find that the inventory of dried milk was \$55,648,163.19. In other words, if we accept the tentative figures which have been submitted to the Appropriations Committee, the Commodity Credit Corporation is asking Congress to write off approximately \$1 million more than the inventory even shows. If we are to accept that as being a fact, evidently the Commodity Credit Corporation is going to give away all the milk it has on hand and is going to pay someone approximately \$1 million to take it.

I believe my colleagues will agree that that figure requires some further explanation. Let me say that if I am in error regarding these figures, I shall be glad to yield, in order that any of my colleagues may point out my error and give the correct explanation.

Again I call attention to the fact that the same thing is true in the case of rice. According to the report of the Commodity Credit Corporation as of June 30, 1953—a copy of which was sent along with the same schedule, accompanying the explanations—the Corporation has \$7,418 invested in rice. The Commodity Credit Corporation is asking Congress to write off notes totaling \$69,344 in order to take care of the loss on the \$7,418 worth of rice. Those are the figures which have been submitted to us today.

Let me refer to another item, namely, tobacco. According to the inventories of the Commodity Credit Corporation, which were submitted in support of the pending measure, the United States has a total of \$1,214,749.26 invested in tobacco—page 30, schedule 14 of the report dated June 30, 1953. Yet the Commodity Credit Corporation is asking Congress to authorize the writing off of notes to the extent of \$3,711,676, to offset the loss it may take on approximately \$1 million worth of tobacco. In other words, I suppose the agency is planning to lose three times as much as the tobacco cost. Those are not my figures. I am reading from the Corporation's own report dated June 30, 1953.

The same thing is true of butter. The May 31, 1953, report indicates that the Commodity Credit Corporation made a profit for the first 11 months of fiscal 1953 amounting to \$161,946. One month later on June 30, 1953, they asked to write off a prospective loss accumulation as of that date in the amount of \$71,497,518.

Frankly I doubt the figures indicating that they ever made money on this commodity, but, regardless of the results, at least both reports should tell the same story.

Mr. President, I think there has been entirely too much hurry on the part of the agencies affected to get this measure passed by Congress before we could have an opportunity to examine it properly.

The total losses sustained by the Commodity Credit Corporation for fiscal 1953, as reported by its own books, are \$61,146,358. The administration expenses were \$54,839,262, or a total of a little more than \$115 million. Against that total, the Commodity Credit Corporation is asking Congress to write off

\$609 million; and the other \$495 million plus is to take care of some prospective losses on commodities which the agency cannot as of this date identify. I have always objected in the past years to this loose method of financing this agency and I shall continue to object.

For that reason, Mr. President, on behalf of the Senator from New Mexico [Mr. ANDERSON] and myself, I now send to the desk an amendment to House Joint Resolution 358, as follows: On page 1, in line 9, strike out "\$609,930,933" and insert in lieu thereof "\$114,283,062."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, in line 9, after the words "amount of", it is proposed to strike out "\$609,930,933" and insert in lieu thereof "\$114,283,062."

Mr. WILLIAMS. Mr. President, if the amendment is adopted, it will leave the joint resolution in the following situation: We would then be providing the Commodity Credit Corporation with the \$129,553,795 which represents the loss under the International Wheat Agreement. We would also be providing for the \$2,004,060 for eradication of the hoof-and-mouth disease, an item about which there is no question.

Mr. THYE. No, Mr. President; I think the correct item for eradication of the hoof-and-mouth disease is \$2,064,060.

Mr. WILLIAMS. That is correct; I am sorry I read the figure incorrectly. These figures are shown in the committee report, and there is proper support for the request.

In addition, it would reimburse the Commodity Credit Corporation for the losses sustained in the fiscal year ending June 30, 1953, totaling \$61,146,358, as shown on its own books, and would also reimburse that agency for its administrative expenses, totaling \$54,839,212. Those figures are taken from their books and are fully supported.

We would be eliminating entirely the item of \$495,647,871 which is described as representing prospective losses. When they are prepared to support these items I will in turn support them in their request for reimbursement.

Mr. President, I now shall yield to the Senator from New Mexico [Mr. ANDERSON], who would like to speak regarding the same amendment.

Mr. YOUNG. Mr. President, before the Senator from Delaware yields to the Senator from New Mexico, will he yield briefly to me?

Mr. WILLIAMS. Very well; I yield to the Senator from North Dakota.

Mr. YOUNG. The Senator from Delaware spoke of losses. Did he include reimbursement for the outlays by the Commodity Credit Corporation for the International Wheat Agreement?

Mr. WILLIAMS. Yes, I included the losses for the International Wheat Agreement, because those losses are supported; and the report on them was submitted to the committee, and can be verified. The amendment includes allowance for those losses, in their entirety.

Mr. SCHOEPEL. Mr. President, at this time will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield to the Senator from Kansas.

Mr. SCHOEPEL. The Senator from Delaware has pointed out the discrepancy between the actual losses and the request for funds that is before the Senate today. Does the Senator from Delaware have any explanation for the anticipated losses or the need for the full amount of approximately \$600 million?

Mr. WILLIAMS. No. The Commodity Credit Corporation submits an explanation and a breakdown; but I disagree with some of the figures, as I looked over them rather hurriedly.

To my mind there is no question that the Commodity Credit Corporation will take some losses; I think all of us recognize that. Frankly, I doubt very much if the \$495 million will meet its losses unless we get prompt action repealing the 90-percent support formula. But I believe we should let the Commodity Credit Corporation establish its losses, and thereafter come to Congress and tell its committees what commodities are involved and how much has been lost. Then the Members of Congress will know what they are doing. We should not simply give a Government corporation \$500 million with which to pay losses on whatever commodities the corporation may see fit to handle, and particularly when the agency's justification, as I have pointed out, in several instances represents prospective losses of even more than its inventories were at the time when it was making the estimate. Such a procedure simply cannot be justified. The American taxpayers are entitled to know how their money is being spent. If we can put an accurate price tag on some of these programs we will get action toward eliminating some of the extravagant and wasteful procedures.

Mr. YOUNG. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS. I yield.

Mr. YOUNG. I understand that the Commodity Credit Corporation has not yet been reimbursed for the wheat which was supplied to Pakistan under Congressional authorization last year. Does the Senator have the figures for that transaction?

Mr. WILLIAMS. No. I know the Senator from North Dakota made such a statement last Friday, and I assume he was correct about it. I have not checked on it. However, regardless of that, that item is not included in the figures before us today. The Commodity Credit Corporation will have to request a separate authorization for it. So far as I know, the Corporation has not been reimbursed. If not, when the Commodity Credit Corporation presents the bill to Congress, reimbursement will be in order.

Mr. THYE. Mr. President, I should like to ask the Senator from Delaware a question, before he yields to the Senator from New Mexico.

Mr. WILLIAMS. Very well; I yield to the Senator from Minnesota. However, I do not wish to yield more than half the time available, because I should like to give the Senator from New Mexico his share of the time.

Mr. THYE. The question I should like to ask is this: There is no doubt in



the Senator's mind, is there, that some dried milk which does not now appear upon the inventory has already been the subject of transactions? In other words, the Commodity Credit Corporation acquired the milk and disposed of it under some international relief plan, and it sustained a loss. The present inventory is only the balance of milk on hand. Is not that the fact?

Mr. WILLIAMS. No. It reported a loss of \$4,798,735 on milk for fiscal 1953. What the Commodity Credit Corporation is asking us to do is to write off \$56 million as a prospective loss on future sales of milk when, in reality, all that it had on hand in the inventory as of the time the appraisals were made, June 30, was \$55 million worth of milk.

Mr. THYE. However, we are now giving consideration to a contemplated loss, expected to be disclosed by the figures of June 30, 1954. Is the Senator from Delaware now speaking about what took place in the calendar year 1953?

Mr. WILLIAMS. No. The measure now before the Senate deals with inventories and appraisals for fiscal year ending June 30, 1953. This proposed legislation has nothing to do with the fiscal year 1954, in which we are now operating. I agree with the Senator from Minnesota that there will be losses this year. Under the law, the Commodity Credit Corporation is not allowed to estimate a prospective loss on something which it has not yet even purchased.

According to a memorandum which I have received from the Agriculture Department, the following is the method of financing prescribed by law:

1. The appraisal shall be made by the Secretary of the Treasury.
2. The appraisal shall be as of June 30 each year, and shall be completed as soon as possible thereafter, and the results reported to the President.
3. The value of CCC assets shall be determined on the basis of cost to the CCC or, insofar as practicable, the average market price in the month of June, whichever is the lower.

This proposed legislation deals with the month of June 1953.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I wish to yield to the Senator from New Mexico [Mr. ANDERSON] at this point. I shall be glad to yield to the Senator from Louisiana later.

Mr. ELLENDER. I wished to ask a question in connection with what the Senator was discussing.

Mr. ANDERSON. Mr. President, there is no disposition on my part to be in the least degree critical of the manner in which the Appropriations Committee handled this item. Knowing something of the burdens on the Appropriations Committee, I wonder that it gets as much work done as it does. I certainly would be the last one to say that in presenting this matter on the floor of the Senate the Appropriations Committee has not acted properly. I tried to make that

clear the other day. I wish now to make it very clear to the distinguished chairman of the Appropriations Committee and other members of the committee.

This situation arises from a question which I think possibly is raised by recent interpretation of the law. I believe that the first thing which ought to be done is to determine exactly what the law is. The document which we have before us is rather lengthy. I should like the guidance of the chairman of the Appropriations Committee. I feel that if the table which I have before me were to be inserted in the RECORD it would be helpful to Members of the Senate who are trying to understand this question. Would there be any objection on the part of the chairman of the Appropriations Committee to having this table inserted in the RECORD?

Mr. BRIDGES. I think it would be very helpful.

Mr. LANGER. Mr. President, does the Senator intend to read the table for the information of the Senate?

Mr. ANDERSON. I intend to read the substance of it. However, in connection with questions which may arise later, I think the table would be of great assistance to Senators if it were placed in the RECORD at this point. I therefore ask unanimous consent that the table be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Analysis of CCC capital impairment as of June 30, 1953, as determined by U. S. Treasury appraisal, showing related investment in commodities and other assets*

Commodity and item	Unit of measure	Total investment in loans and inventories						Treasury appraisers' estimate of loss on investment <sup>1</sup>			Realized losses during fiscal year 1953	Appraisers' estimates of impairment to capital during fiscal year 1953	
		As of June 30, 1953		As of June 30, 1952		Change in investment during fiscal year 1953		June 30, 1953	June 30, 1952	Changes during 1953			
		Quantity (thousands)	Cost value (thousands)	Quantity (thousands)	Cost value (thousands)	Quantity (thousands)	Cost value (thousands)						
PRICE-SUPPORT PROGRAM													
Basic commodities:													
Corn	Bushels	527,371	\$839,405	351,724	\$555,064	+175,647	+\$284,341	\$106,154,232.91		+\$106,154,232.91	\$20,526,523.50	\$126,680,756.41	
Cotton, upland	Bales	2,101	322,831	354	48,700	+1,747	+274,131	1,932,718.18	\$13,078.61	+1,919,639.57	381,571.57	2,301,211.14	
Peanuts, farmers' stock	Pounds	178,789	21,216	199,609	23,141	-20,820	-1,925	8,500,962.02	3,341,259.68	+5,159,702.34	2,975,881.13	8,135,583.47	
Rice	Cwt.	7	35	272	1,612	-265	-1,577		208,517.04	-208,517.04	277,860.85	69,343.81	
Tobacco	Pounds	500,291	219,839	384,275	195,193	+116,016	+24,646	4,174,000.00	3,222,000.00	+952,000.00	2,759,676.20	3,711,676.20	
Wheat	Bushels	514,399	1,284,210	165,628	411,124	+348,771	+873,086	212,815,413.10	40,341,863.21	+172,473,549.89	18,886,295.62	191,359,845.51	
Total basic commodities			2,687,536		1,234,834		+1,452,702	333,577,326.21	47,126,718.54	+286,450,607.67	45,807,808.87	332,258,416.54	
Designated nonbasic commodities:													
Milk and butterfat:													
Butter	Pounds	231,034	154,490			+231,024	+154,490	71,041,019.58		+71,041,019.58	456,492.26	71,497,511.84	
Cheese	Pounds	160,302	64,744	560	221	+159,742	+64,523	28,172,496.39		+28,172,496.39	2,14,707.51	28,157,788.88	
Milk, dried	Pounds	328,422	55,648	29,889	5,043	+298,533	+50,605	51,483,765.63	215,091.20	+51,268,674.43	4,798,734.74	56,067,409.17	
Honey	Pounds	6,707	798	73	8	+6,634	+790				2,4,924.37	2,4,924.37	
Tung oil	Pounds	6,635	1,782			+6,635	+1,782				451.20	451.20	
Wool	Pounds	119,350	75,586	7,189	3,081	+112,161	+72,505				15,289.61	15,289.61	
Potatoes											73,658.12	73,658.12	
Total designated nonbasic commodities			353,048		8,353		+344,695	150,697,281.60	215,091.20	+150,482,190.40	5,324,994.05	155,807,184.45	
Other nonbasic commodities:													
Barley	Bushels	3,489	4,467	11,836	17,312	-8,347	-12,845	553,658.70	1,836,522.89	-1,282,864.19	2,195,111.91	912,247.72	
Beans, dry edible	Cwt.	1,525	13,493	4,330	34,123	-2,805	-20,630	5,434,967.01	6,159,109.29	-724,142.28	6,777,410.06	6,053,267.78	
Cotton, American-Egyptian	Bales										2,294,664.77	2,294,664.77	
Cottonseed and products:													
Cottonseed meal	Pounds	1,013,428	31,378	78,476	14,010	+934,952	+17,368				2,7,701,798.87	33,479,026.19	
Cottonseed oil	Pounds	783,426	143,723	53,593	5,335	+729,833	+138,388	50,615,741.79	4,434,916.73	+46,180,825.06	4,256,138.53	29,346.38	
Cotton linters	Pounds	487,609	46,069			+487,609	+46,069				131,661.09	2,969,565.96	
Eggs, dried	Pounds			5,307	5,399	-5,307	-5,399		4,226,792.15	-4,226,792.15	2,874,126.09	2,874,126.09	
Flaxseed	Bushels	5,472	21,671	337	1,122	+5,135	+20,549	2,930,299.67	92,394.80	+2,837,904.87	1,291,336.11	4,915,754.33	
Grain sorghums	Cwt.	755	1,899	1,190	3,209	-435	-1,310						
Linsced oil	Pounds	189,507	55,022	198,627	56,891	-9,120	-1,869	27,543,667.56	23,919,249.29	+3,624,418.27			

Footnotes at end of table.



Analysis of CCC capital impairment as of June 30, 1953, as determined by U. S. Treasury appraisal, showing related investment in commodities and other assets—Continued

Commodity and item	Unit of measure	Total investment in loans and inventories						Treasury appraisers' estimate of loss on investment <sup>1</sup>			Realized losses during fiscal year 1953	Appraisers' estimates of impairment to capital during fiscal year 1953	
		As of June 30, 1953		As of June 30, 1952		Change in investment during fiscal year 1953		June 30, 1953	June 30, 1952	Changes during 1953			
		Quantity (thousands)	Cost value (thousands)	Quantity (thousands)	Cost value (thousands)	Quantity (thousands)	Cost value (thousands)						
PRICE-SUPPORT PROGRAM—CON.													
Other nonbasic commodities—Continued													
Naval stores:													
Rosin	Pounds	327,952	\$24,394	209,856	\$15,253	+118,096	\$+9,141	\$365,821.80	\$47,798.42	\$+318,023.38	\$30,252.58	\$287,770.80	
Turpentine	Gallons	2,413	1,241	1,343	662	+1,070	+579						
Oats	Bushels	22,328	19,274	7,299	6,535	+15,029	+12,739	3,770,415.80	911,418.80	+2,858,997.00	194,937.92	3,053,934.92	
Olive oil	Gallons	743	1,747	353	840	+390	+907		64,286.71	-64,286.71	170.03	<sup>2</sup> 64,116.68	
Rye	Bushels	141	223	105	154	+36	+69	62,813.20		+62,813.20	<sup>2</sup> 7,946.81	54,866.39	
Peas											31.16	31.16	
Seeds, hay and pasture	Pounds	85,040	40,983	17,650	12,661	+67,390	+28,327	16,532,999.71	9,928,514.70	+6,604,485.01	4,050,654.58	10,655,139.59	
Seeds, winter cover crop	Pounds	297,642	19,830	354,667	19,962	-57,025	-132						
Soybeans	Bushels	3,865	10,327	274	691	+3,591	+9,636	292,527.10		+292,527.10	24,892.64	317,419.74	
Total other nonbasic commodities.			435,746		194,159		+241,587	108,102,912.34	51,621,003.78	+56,481,908.56	10,013,554.91	66,495,463.47	
Total price-support program.			3,476,330		1,437,346		+2,038,984	592,377,520.15	98,962,813.52	+493,414,706.63	61,146,357.83	554,561,064.46	
OTHER PROGRAMS													
Subsidy program											<sup>2</sup> 74,622.70	<sup>2</sup> 74,622.70	
Supply program			73,114		56,697		+16,417				<sup>2</sup> 1,762,695.84	<sup>2</sup> 1,762,695.84	
Foreign purchase program			1,154		944		+210				2,616.31	2,616.31	
Storage facilities program <sup>3</sup>			153,647		152,817		+830				<sup>2</sup> 121,488.06	<sup>2</sup> 121,488.06	
Accounts and notes receivable			392,881		448,657		-55,776	12,935,746.35	10,702,581.23	+2,233,165.12	253,681.83	2,486,846.95	
Total other programs			620,796		659,115		-38,319	12,935,746.35	10,702,581.23	+2,233,165.12	<sup>2</sup> 1,702,508.46	530,656.66	
Excess of overhead and interest expense over interest and miscellaneous other income.											54,839,211.88	54,839,211.88	
Grand total			4,097,126		2,096,461		2,000,665	605,313,266.50	109,665,394.75	+495,647,871.75	114,283,061.25	609,930,933.00	

<sup>1</sup> Includes estimated loss on dairy and cottonseed products under contract to purchase.

<sup>2</sup> Indicates realized gain, or decrease in impairment.

<sup>3</sup> Investment reflects cost value of fixed assets plus loans outstanding on facilities and drying equipment.

Mr. ANDERSON. The problem which arises is this: Always there is the desire to return to the Commodity Credit Corporation the amount of money which it has lost. It has sustained losses; and with respect to the calculation of those losses, I think a very wise provision has been placed in the law, namely, that the Treasury Department shall take a look at the quantities of agricultural commodities and appraise them, not only as to their original cost, but as to the market price during the month of June in the preceding year, and shall determine their value on the basis of whichever price is the lower, thereby making it impossible for the Commodity Credit Corporation to mislead itself or anyone else as to the situation concerning its stocks.

In my opinion, it would be useful to go further. I think we should allow the representatives of the Treasury and representatives of the Commodity Credit Corporation to anticipate what might happen because of deterioration of stocks, and a great many other things of that nature.

The table which I have before me indicates actual, provable losses of \$114 million. The amendment which the distinguished Senator from Delaware [Mr. WILLIAMS] proposes in behalf of himself and the junior Senator from New Mexico would give that money to the Commodity Credit Corporation immediately. Certainly it is entitled to

the \$114 million, representing \$61 million of actual losses, \$51 million of administrative expense, and about \$1,700,000 of small miscellaneous items.

Next we come to the question as to what happens to the \$495 million, which represents the changes in value of inventories during 1953. Let me refer to the question of butter, cheese, and dried-milk solids. With respect to butter, the table shows that the Commodity Credit Corporation had on hand as of June 30, 1953, 231,034,000 pounds of butter, of the cost value of \$154,490,000. Since that time the Commodity Credit Corporation has acquired some additional butter. I think the stocks are now higher than the figure I have mentioned, and I think they may go still higher. However, the representatives of the Treasury and of the Department of Agriculture, in asking for the restoration of capital, are limited to that figure, because they must deal with the June 30, 1953, situation.

The average price for butter in December 1952, when a great deal of this butter was being acquired, was 57 cents. The Department of Agriculture announced a program to buy in November, and started to buy in November or December. The price as of June 1953, was 65 cents, so there seems to have been a gain of approximately 8 cents a pound on this butter. That gain of 8 cents, I think, could properly be applied

against the 231 million pounds, which would give a gain of approximately \$16 million. But instead of doing that, the representatives of the Treasury Department and of the Department of Agriculture have calculated that there will be marketing difficulties in connection with the butter, that if it were all to be thrown on the market at once it would depress the price greatly.

Therefore, they have charged off \$71,041,019.58 as a loss. That is not in accordance with the law. The law is reasonably plain. The law says that in establishing values, the value of the Commodity Credit Corporation assets shall be determined on the basis of cost to the Commodity Credit Corporation or, insofar as practicable, the average market price in the month of June, whichever is the lower. The law does not take into account what the Commodity Credit Corporation will finally receive.

I do not question the figure which has been used here if we are seeking a final result. I think if the Commodity Credit Corporation does not take a final loss of \$71 million on this butter it will be lucky indeed. However, the law does not permit the Commodity Credit Corporation to be reimbursed at this time for anticipated impairment of capital. We take care of that the following year.

Therefore, I say that the question which involves the \$495 million ought



to be carefully considered by the Appropriations Committee, or referred to the Senate Committee on Agriculture and Forestry, and that somewhere a decision should be reached as to what are the actual provisions of the current law.

I am not trying to question anyone's judgment. I am trying to question the application of the law.

Let me come now to the question of dried milk. The document which has just been submitted shows that 328 million pounds of dried milk had been acquired. Everyone knows that disposition of dried milk is very difficult. Once or twice before the Department has tried to dispose of quantities of dried milk, and has found it almost impossible to do so.

The cost of the dried milk was \$55,648,000, and the Department of the Treasury has suggested that, of that amount, \$51,483,765 should be written off. In other words, it wants to drop the value to less than 2 cents a pound. Eventually, when the dried skimmed milk is disposed of, it may be necessary to dispose of it for only a few cents a pound; but to say now that that is the current price of dried milk solids would have a very bad effect on the farmers' market, because a great deal of dried milk solids move to bakeries and into other commercial uses. Therefore it is not the wisest thing in the world to indicate that the dried milk solids are of no actual value. The commodity is a good food. Although it is not wisely used in our country, it is used in other areas. It is greatly wanted in some other areas. I am thinking particularly of such areas as Korea, for example.

However, whether my judgment is right or whether the judgment of the Treasury is right is not the question. The question is, What is the law? The law provides that the Corporation must use the actual market price as now expressed and that is far more than 2 cents.

The same situation exists as to cheese. The Department had on hand, last June 30, 160 million pounds of cheese. That amount has moved up to 260 million pounds, and within a very short time will reach a much higher figure than that.

I should dislike to see us adopt a policy under which we would practically give the cheese away. Cheese is a good food; it is a very valuable food. I can remember the time when various other nations of the world were pleading with our Department of Agriculture to make cheese available to their people.

The cheese has cost \$64 million. The Treasury Department has suggested that \$28,172,496.39 in the value of that cheese be written off at this time as sustained losses. That is not the law.

Again, I do not question the fact that the losses may finally take place, but they have not taken place as yet. I believe that the action taken should be in strict accordance with the law. The market price has not yet dropped 50 percent. I hope it will not drop 50 percent, because of the serious damage that would inflict on the farmers of this country.

We now come to another problem, and that is whether the Commodity Credit Corporation is out of money. I do not

intend to argue that point except to refer to the testimony which was given to the Committee on Agriculture and Forestry on the 25th of January 1954 in connection with S. 2714. A statement was made with respect to the amount of the loans which had been made. The amount of the loans as of November 30 was \$4,148,000,000. That figure appears at page 16 of the hearings. Four billion one hundred and forty-eight million dollars was borrowed as of November 30, 1953.

Mr. BRIDGES. Mr. President, I do not want to interrupt the chain of thought of the Senator from New Mexico, but will he yield for a question at that point?

Mr. ANDERSON. I should like to finish with this point first. Then I shall yield. Not only were the borrowings as of November 30, 1953, \$4,148,000,000 but if you look at page 53 of the hearings, you will see that they had dropped—not increased but dropped—by January 21, 1954, to \$4,063,000,000. There was a situation which I shall come to subsequently, which has to do with certificates of interest which were issued.

Mr. BRIDGES. I should like to ask the distinguished Senator from New Mexico a question and in doing so I am not attempting to put him on the spot. As a former Secretary of Agriculture, he has been in close touch with these operations and under oath has administered the law. As a layman, and because I am confronted with a law which has been called to my attention as chairman of the Committee on Appropriations in connection with the amount of money the Commodity Credit Corporation say they must have, I ask the Senator from New Mexico, whether he feels the act of March 8, 1938, as amended April 12, 1945, which says, "this shall be the established price as of June 30 of each year," and so forth, would be violated if the Commodity Credit Corporation failed to come before the committee and asked for exactly and specifically and precisely what they need each year?

Mr. ANDERSON. No; I do not know that it would be in violation of the law. As I say, I do not believe they can come before the committee and ask for a restoration of funds because of future anticipated losses. I do not know what has happened in the Department. I am not trying to be critical of what is happening, I want that to be clearly understood. I believe the Department of Agriculture realized it was running short of money and felt that that amount of money ought to be legitimately returned to it, so its representatives very properly came to the committee and asked that it be done.

I am only trying to say that I would much rather do what the Senator from Delaware [Mr. WILLIAMS] suggested the other day, namely, give the Corporation promptly the additional amount of money, which I believe they will need anyway, and then find out whether the money has been used in accordance with what I believe the law to be. It is entirely possible that this is the old practice, and that it may have been going on since 1938. I do not know. Certainly

never before have we had that much of a shift in values, running into \$500 million.

Mr. BRIDGES. What the distinguished Senator from New Mexico and the distinguished Senator from Delaware would propose to do, then, is to take the International Wheat Agreement and the hoof-and-mouth disease eradication programs, in connection with which the actual loss amounted to \$114 million, which is established and pass over it, and say, in effect, to the Commodity Credit Corporation and the Department of Agriculture, "Forget for the time being the June 30 act; this will take care of your losses; but we will hold up until we have had a chance to review the matter before providing the increased borrowing authority."

Mr. ANDERSON. No. Perhaps I did not state my position clearly. I am in favor of providing \$129 million for losses under the wheat agreement and I am in favor of providing the money for the hoof-and-mouth disease eradication program, about \$2 million, and then this \$114 million, and I am in favor of doing it this afternoon. I am in favor of the Committee on Agriculture and Forestry, if it has the time, going into the question of whether the \$495 million item has been properly presented. If it has been, I am in favor of adopting a validating resolution tomorrow, but I do not believe there has been sufficient time to consider it up to now.

I do not question at all the desirability of reporting a measure taking care of the \$495 million tomorrow, next week, or the week after. I do not intend that it should be held up until we vote on the question of increasing the borrowing power of the Corporation. I said I will be in favor of increasing its borrowing power when that bill comes along, just as I will be in favor of allowing many of the items, and possibly all of the items in this measure when the proper time comes.

I now yield to the Senator from Kansas.

Mr. SCHOEPPPEL. Mr. President, because he once held the important position of Secretary of Agriculture, I should like to ask the distinguished Senator from New Mexico whether, in his judgment, if we were to permit the Department to have \$114 million plus, it would enable the Department to carry on, in his judgment, until such time as the Committee on Appropriations and the Committee on Agriculture and Forestry can look into the items.

Mr. ANDERSON. Yes. I will say to the distinguished Senator from Kansas that I would give them three things:

First. The necessary money for eradication of the hoof-and-mouth disease, which I think has always been well spent.

Second. Give them the necessary amount under the International Wheat Agreement because we are obligated to do that.

Third. Give them the money for all sustained losses, about \$114 million.

There is a loss of approximately \$4 million in connection with dried milk. Give them the necessary administrative funds and the amounts which represent small subsidy programs.



The PRESIDING OFFICER. The time of the Senator from New Mexico has expired. The Senator from Delaware [Mr. WILLIAMS] has 5 minutes remaining.

Mr. THYE. Mr. President, will the Senator from Delaware or the Senator from New Hampshire yield half a minute to me?

Mr. BRIDGES. Mr. President, I yield whatever time the Senator from Minnesota may desire.

Mr. THYE. Mr. President, with reference to the dried milk question, the Department has made an estimate of what the losses may possibly be. It estimates the losses to be almost 90 percent of the quantity which remains in the inventory. I would say that is a greater loss than I believe will be sustained. Therefore, I agree with the argument which the Senator from Delaware and the Senator from New Mexico have presented. Nevertheless, it is an estimate of what the losses will be. The department is doing what it has done in the past. It is operating under the law.

The best possible estimate the department has is that it will probably sell the inventory of butter for possibly a loss of 40 or 50 or 60 percent of what it has invested. It has been declared that it expects to have a greater loss than that. I raise the question that, in view of the great number of applications for commodity loans being received, the Commodity Credit Corporation will be able to make loans only for possibly 3 weeks before they exhaust their funds. Whether we can get the measure through conference and have it signed by the President within 3 weeks is a question the answer to which I am not able to find. I have been in communication with the Department of Agriculture with reference to it.

I suggest that it may be possible for the distinguished chairman of the Appropriations Committee to accept the amendment on the floor, seek further information in conference, and then resolve the question in the conference. In that manner we can solve our own problem this afternoon, and finally answer the question in the minds of the Senator from New Mexico and the Senator from Delaware as to whether the department has made a conservative estimate or too high an estimate of actual losses. I would say, let the amendment go to conference and iron it out, and then we shall have more time to find the real answers to the questions involved. I do not have the answers. I have been trying to find them over the weekend.

Mr. WILLIAMS. Mr. President, I appreciate the attitude of the Senator from Minnesota. No one is trying to hamstring the Commodity Credit Corporation. We only want to know that we have the proper answers.

Speaking of dried milk, they have admitted that what they did was to write down the sale on the basis of 1 cent a pound. However, I know of 2 sales of milk made at a nickel a pound approximately 2 months ago. We need a more realistic approach to these subjects, and I do not think we have the answer to the question that is now before us.

Mr. THYE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. THYE. I do not think they will sustain the loss on dried milk which they have shown as their calculation. I think the advisable thing to do is to take the joint resolution to conference and try to get the final answers while it is in conference.

Mr. WILLIAMS. By accepting this revised figure in the conference, we will have time to get the answers we need. As the Senator from New Mexico said, the Appropriations Committee could report a new resolution providing for additional funds if they are later substantiated. It should be done in a businesslike manner. We do not know the facts as the matter is now before us. If the chairman of the Appropriations Committee would accept this amendment, I should appreciate it. I think it would be a more constructive way to legislate and in the long run I think such full disclosures will benefit all concerned.

Mr. THYE. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS. I yield.

Mr. THYE. Mr. President, having made the suggestion which I made, that the amendment be taken to conference, I have awakened to the realization that we have only this afternoon to make final decision on the entire question. We were faced with an emergency on Friday, and it is just as acute, if not more so, on Monday.

Mr. WILLIAMS. Mr. President, the reason why I made my second suggestion was because I recognized that problem. If we do not have the necessary information when we get to conference, we should let the bill go through as it is amended. Do I correctly understand that the Senator from New Hampshire will accept the amendment?

Mr. BRIDGES. I must leave the floor at this time to answer a telephone call.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

Mr. THYE. Mr. President, the Senator from Delaware has suggested the absence of a quorum. May I inquire as to whose time it will be charged?

Mr. WILLIAMS. Mr. President, it would be agreeable to charge it to my time. The Senator from New Hampshire [Mr. BRIDGES] has just been called to the telephone to speak with the Secretary of Agriculture and we would not want to act until he returns. I am hoping he will accept the amendment.

Mr. LANGER. Mr. President, I ask unanimous consent that the time necessary for the quorum call be taken out of neither side.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Without objection, it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be withdrawn, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from New Mexico [Mr. ANDERSON].

Mr. BRIDGES. Mr. President, we have had a great deal of discussion of the amendment. I desire to be fair to the sponsors of the amendment. I desire to be fair also to the Department of Agriculture and to the agricultural industry of the United States.

I am just as disgusted as are the Senator from New Mexico [Mr. ANDERSON], the Senator from Delaware [Mr. WILLIAMS], and other Senators, with the approach which has been made to the matter, which has resulted in our being virtually up against the wire, or under the gun, before we were given an opportunity to pass upon the measure.

I will admit very frankly to the distinguished Senators that the examination into the matter by the committee, because we received the bill on Thursday morning and reported it on Thursday noon, had to be superficial, since we were told that action was needed not later than Friday.

I know I am assuming a great deal, and I should like to have any members of the Committee on Appropriations who are present on the floor, and who feel differently than I do, raise an objection if they wish to do so; but, so far as I am concerned, I am willing to take to conference the amendment sponsored by the Senator from Delaware [Mr. WILLIAMS] and the Senator from New Mexico [Mr. ANDERSON]. The amendment would provide \$114 million-plus for impairment of capital; \$129 million for the International Wheat Agreement; and \$2 million plus for foot-and-mouth disease eradication.

It is my understanding that at the present rate of lending, these amounts would carry the Commodity Credit Corporation for an indefinite period, perhaps 3 weeks. In the meantime, either of two courses of action could be followed. Either an act could be passed for the restoration of capital, under the borrowing power measure now pending before the Senate, or the Subcommittee on Agriculture of the Committee on Appropriations could proceed immediately to conduct a thorough investigation of the other \$495 million, and then, if necessary, to report a second resolution covering that amount.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. DIRKSEN. I have no objection to the proposal of the Senator from New Hampshire. However, there is a showing of the impairment of the capital of the Commodity Credit Corporation, and Congress is actually mandated under the law to make good the losses by repairing the capital of the Corporation. In other words, Congress simply picks up the chips for the losses. If it is felt that there should be a more thorough exploration of the matter by the subcommittee on agricultural appropriations, that procedure is quite agreeable to me. But it ought to be understood that if there is a market dip, and if it becomes necessary for the Commodity



Credit Corporation to go abroad under its present program and to make purchases or commitments for loans—and after all, they are commitments, whether the money is actually disbursed or not—we ought to lose no time in giving attention to the other needs, whatever may be the desires of the agency in the matter.

To be sure, the matter has come on apace, and there has been rather meager justification. As the distinguished Senator from New Hampshire, the chairman of the Committee on Appropriations, will well remember, I asked the gentlemen from the Commodity Credit Corporation whether they had ever been in such a "squeeze" before. Their answer was "No."

I said it seemed singular and very strange to me that now, after all the years of operation by the Commodity Credit Corporation, they should come to the doorstep of Congress, at the last moment, after getting themselves into a squeeze, and say that the measure proposed was absolutely necessary and urgent in order to enbale them to get themselves out of a difficulty.

We shall not be solving the problem at all; we shall be simply kicking it into the future a short distance, to say the least.

I shall go along with the idea, with the understanding, of course, that further action in the matter will be taken without delay.

But there is something to be said on the side of the Commodity Credit Corporation. They said they knew perhaps as early as December what their difficulty would be. Congress was not in session at the time. They made their representations to the Bureau of the Budget, and it took a little while for the Budget Bureau to come to a conclusion about the matter, and then to approve the bill which is before the Senate at present. But that is the normal course of legislation. If it is not done overnight, so no time can be lost if the Commodity Credit Corporation is to exercise its full responsibility in the price-support field.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I may say to the distinguished chairman of the Committee on Appropriations that, as a member of the committee, I should be perfectly willing to follow the procedure the chairman has outlined, and I express the hope that the Subcommittee on Agriculture of the Committee on Appropriations will proceed forthwith to hold hearings, so that the full facts in regard to the Commodity Credit Corporation situation may be established, and that proposed legislation may be reported to the Senate as early as possible, so that we shall not again be faced with another deadline problem.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. ELLENDER. The distinguished chairman of the Committee on Appropriations has clearly stated the situation that existed when hearings were held last Friday. Action was taken rather quickly. Speaking for myself, I

was not present during the entire period of the hearing because I was in attendance at another committee meeting. It strikes me that our differences can be settled very easily in conference after we have the actual facts at hand.

The report shows specifically the amount of the actual losses and there seems to be no differences of opinion as to them. The real question at issue is whether the losses by way of inventories were made in accordance with law. The distinguished Senator from New Mexico [Mr. ANDERSON] questions that. Speaking for myself, I believe he is correct. The method of appraisal is prescribed by law. The assets of the Corporation must be determined on the basis of the cost or the average market price of such assets during the last month of the fiscal year, whichever is lower. All of that was clearly pointed out to my distinguished colleague from New Mexico. I note that the leases taken on dried milk alone is over 90 percent. That may reflect the losses that may be sustained—that is, we may collect but 10 cents on the dollar—but until that happens the law does not permit such a chargeoff. The same method has been applied as to corn and wheat. I repeat it should be an easy task to determine whether or not the law was followed.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. THYE. There is no question about any of the inventory figures. The only question is, Has there been shown an anticipated loss at the end of the fiscal year greater than will be sustained as a loss? I think some figures have been shown that indicate an anticipated loss much greater than the figures indicate ever will be realized. That is my frank opinion.

That is why I suggested taking the matter to conference. I believe that during the 3 or 4 additional hours that will be afforded to discuss the matter in conference, we may be able to determine the matter satisfactorily.

When I look at the item for powdered milk, I cannot believe the Commodity Credit Corporation has suffered a loss on that item in the manner they have listed it on the chart. That is what leads me to say that the Senator from Delaware [Mr. WILLIAMS] and the Senator from New Mexico [Mr. ANDERSON] might be entirely justified in trying to obtain some additional information on the question, and I agree with them. That information can be obtained during the few hours we shall be in conference on the matter.

Mr. ELLENDER. As I have previously stated, I have no doubt but that the distinguished Senator from New Mexico has correctly stated the law on the subject of how inventories should be made. It strikes me that we must abide by the law. We have no other course to pursue.

Mr. THYE. Mr. President, none of us questions the inventory figures; we question only the anticipated losses as listed in the chart.

Mr. HOLLAND. Mr. President, I desire to express my appreciation of the

attitude taken by the distinguished Chairman of the Committee on Appropriations, which I think shows rather clearly that he feels that the whole question of agricultural support-price financing must be very carefully scrutinized. I am glad that is the case. I am glad also that it has shown up so clearly in this discussion that this matter is not being kept on a partisan basis.

I recall that the last time a similar question was raised, it was raised by the distinguished Senator from Delaware [Mr. WILLIAMS] during the preceding administration, when there was a question as to the amount to be charged off by Commodity Credit Corporation due to losses during war operations. I remember how aggressive the Senator from Delaware was in pressing his point at that time. I am glad to see that he is equally aggressive in pressing his contentions at this time. He has thus demonstrated that he is nonpartisan in his approach, as I believe all of us are in this matter.

If I may, I should like to invite the attention of the Senate to two other matters briefly. First, there is no reason why the matter under consideration cannot be yet handled ahead of the time when it would ordinarily come before the Senate for consideration. Senators had this morning for the first time the report of the Senate committee. They had the report of the House committee last Friday, and the debate in the House occurred last Wednesday. Frequently repeated is a statement I now quote from the debate in the House, appearing at page 854 of the CONGRESSIONAL RECORD of January 27, 1954:

The only thing we are doing here today that is unusual is that we have brought this item to the floor 4 months prior to reporting the agricultural appropriation bill. We are only meeting an emergency.

Such matters are generally handled in the agricultural appropriation bill. If there is an emergency, there will be ample time to again consider the matter, long prior to that time. If there is no emergency, there is ample time for the matter to be studied and considered at the customary time, when it is considered as a part of the appropriation bill for agriculture.

The second matter to which I call the attention of the Senate is that the whole subject matter shows so clearly what may arise under an excessive price-support program.

If the Senators will study the reports, they will find that of the amounts proposed to be restored as of July 1, 1953, the three principal items relate entirely to 90 percent support price commodities, two of them mandatory and one of them permissive, but actually operating on a 90 percent basis.

I refer again to the report of the United States Department of Agriculture, which appears on page 854 of the CONGRESSIONAL RECORD of January 27, 1954.

The three principal items are as follows:

Corn, a claimed loss as of June 30 of last year of \$126,680,756.

Wheat, a claimed loss as of June 30 of last year of \$191,359,846.



Both of those commodities, corn and wheat, are under the mandatory, fixed, rigid 90-percent price-support program.

The other large item is a loss of over \$155 million for milk and milk products, resulting from the losses in butter, cheese, and dried milk, during the fiscal year ending June 30, 1953.

Mr. President, if these figures do not operate to make us all stop, look, and listen, I shall be greatly disappointed. If they operate to make agriculture in the Nation stop, look, and listen when it observes the downgrade, toboggan slide in prices and in prices of inventories resulting from the operations of the Commodity Credit Corporation, they will see that commodities are being kept, under existing law, on an artificially high level, and that therefore we are building up these huge surpluses, which themselves have forced Commodity Credit to take over more and more of the current production.

Mr. President, I do not desire to elaborate on that particular point at this time, but I shall do so at a later date.

I close my remarks by reminding my colleagues that the exorbitant price-support programs do not, by any manner or means, affect all agriculture; but we find that the high-level price-support programs plus all other price-support programs affect only 43.5 percent by value of the agricultural production of this Nation, and that 56.5 percent of the agricultural production of this Nation has no price support, mandatory, rigid, high level, or otherwise.

The Senate and the general public may as well realize that this program, which affects less than half of our agricultural production, and Congress is responsible for permitting the program to continue, no one else—is at such extravagant levels as to threaten self destruction and as to jeopardize the existence of the whole price-support program.

The Senator from Florida for one does not feel that we should sit by and see the program fall under its own weight because he thinks it is greatly to the interest of agriculture and greatly to the interest of the Nation to continue with a reasonable and a fair price-support structure. Not only because it is important to producers and consumers, but also because it will help this Nation fulfill its international obligations for the production of abundant food and fiber, which are so heavy at this particular time.

It seems clear to the Senator from Florida that unless we do stop, look, and listen, and revise the whole structure, we are running the risk of its collapsing under its own weight.

Mr. CARLSON. Mr. President, I wish to concur in the suggestion the Senator from New Hampshire has made. I think it is important that whatever temporary action is taken by the Senate be taken immediately. I sincerely hope that the suggestion of the Senator from New Hampshire will be adopted, and that then we can proceed to study the matter further.

I am as much interested in the matter before the Senate as is any other Senator, and I desire to concur in what the Senator from Illinois has stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendment, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate. I might suggest that in addition to the chairman of the committee, the Chair appoint the conferees in the order of their seniority on the Agricultural Subcommittee on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire.

The motion was agreed to, and the Presiding Officer appointed Mr. BRIDGES, Mr. YOUNG, Mr. FERGUSON, Mr. AIKEN, Mr. RUSSELL, Mr. HAYDEN, and Mr. ELLENDER conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXTENSION OF TIME FOR A STUDY AND INVESTIGATION OF POSTAL OPERATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 197, calendar 890, extending the time for a study and investigation of postal operations. The resolution has been reported from the Committee on Rules and Administration, and has been discussed with the minority leader and also with the ranking member of the Committee on Rules and Administration. I understand it is perfectly satisfactory to both of them to have the resolution considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the resolution (S. Res. 197) extending the time for a study and investigation of postal operations, which had been reported from the Committee on Post Office and Civil Service, and subsequently reported from the Committee on Rules and Administration, was considered and agreed to, as follows:

*Resolved*, That the time within which the Committee on Post Office and Civil Service may complete the study and investigation of postal operations as authorized by Senate Resolution 49, 83d Congress, agreed to March 6, 1953, hereby is extended to March 31, 1954.

#### AMENDMENT TO THE CONSTITUTION RELATING TO TREATIES AND EXECUTIVE AGREEMENTS

The Senate resumed the consideration of the joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States relative to the making of treaties and executive agreements.

Mr. HAYDEN. Mr. President, I desire to call attention to certain misrepresentations which have been made by partisans of the joint resolution now under consideration by the Senate. One such misrepresentation, I am happy to say, is soon to be publicly acknowledged and corrected.

The first misrepresentation appeared in the January 15 issue of the National Legislative Bulletin, published in Washington, D. C., by the national legislative committee of the American Legion. The names of Mr. Jerome F. Duggan, of Missouri, as chairman, and Mr. Miles D. Kennedy, as director, appear on the masthead of the publication, which states that—

The Legion has been mandated to support \* \* \* the Bricker resolution (S. J. Res. 1) which would safeguard the constitutional rights of individuals against encroachment by Treaties with Foreign Governments.

It then goes on to say:

The Bricker amendment, Senate Joint Resolution 1, reported to the Senate by the Senate Judiciary Committee during the last session and is now on the calendar. Indications are that Senator BRICKER's amendment will be considered by the Senate early in the session. It is important that you—and all who favor the amendment—immediately write to your Senators, telling them that you want them to vote its passage. Great volumes of material for and against the amendment have been written; countless speeches have been made. We cannot go into detail on all of this. Here are some high-points.

Mr. President, I direct the attention of the Senate, in particular, to the following statement:

The Constitution contains this provision: "All treaties made under the authority of the United States shall be the supreme law of the land, anything in the Constitution or the laws of the United States to the contrary, notwithstanding."

The United Nations is a ratified treaty. There are some 200 more proposed treaties, covenants, and pacts in the hopper of the U. N. and its affiliated agencies—many of which are socialistic in concept and would do violence to our Bill of Rights. Many of the proposals jeopardize every phase of our traditional American freedoms—of the press, speech, assembly, education, rights of labor, and private enterprise.

The United States is the only major participant in the entire U. N. which permits ratified treaties to become the supreme law of the land. It is high time we gave ourselves the same protection other nations provide for themselves.

There is talk of compromise but let us not weaken our position. Make your voice heard in the Senate. Get your letter off today—ask your friends to write.









# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 3, 1954

For actions of February 2, 1954

83rd-2nd, No. 19

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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**HIGHLIGHTS:** House sent measure to restore CCC's capital impairment, etc., to conference. Rep. Whitten discussed his bill to sell CCC surpluses. House committee reported soil conservation bill. House committee was authorized to file supplemental report on public-for-private timber-land exchange bill by Feb. 4, and Rep. Metcalf discussed this bill. Sens. Morse and Humphrey criticized REA and other power policies. Sen. Aiken introduced bill re residues of pesticide chemicals in agricultural commodities.

### HOUSE

1. **SOIL CONSERVATION.** The Agriculture Committee reported without amendment H.R. 676788, to authorize the Secretary to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation (H. Rept. 1140) (p. 1123).

2. **COMMODITY CREDIT CORPORATION.** Reps. Andersen, Horan, Hunter, Laird, Taber, Whitten, Cannon, and Marshall were appointed as conferees for H. J. Res. 358, to discharge CCC indebtedness to the Treasury (p. 1082). The "Daily Digest" states that the conferees "met in executive session...but did not reach final agreement and recessed subject to call" (p. D98).

Rep. Whitten spoke in favor of his bill; H.R. 7546, to authorize sale of CCC farm commodities on the competitive world market, stating that such commodities "are being held off the market...against the interests of the American farmers" and that the cost of these commodities "should be charged to whatever national interest is responsible for keeping these commodities off the world market instead of being charged solely to agriculture" (pp. 1084-85).



3. FORESTRY. The Interior and Insular Affairs Committee was authorized to file a supplemental report by Feb. 4, on H.R. 4646, to provide for the exchange of certain public for private timber-lands (p. 1084). Extension of remarks by Rep. Metcalf discussing and inserting an article on this bill (pp. 845-6). Majority Leader Halleck stated: "I understand a supplemental report on it (H.R. 4646) may be filed by midnight tonight. If it is, it will be our purpose to have this measure called up tomorrow or Thursday." (pp. 1116.17).
4. RECLAMATION. Passed with amendments H.R. 4551, to amend the Reclamation Project Act of 1939 to provide that construction of any new project, new division, or new supplemental works not authorized by a secretarial finding of feasibility or by act of Congress on or before January 20, 1953, may be undertaken only by act of Congress; this provision would, however, not be applicable to projects costing \$5 million or less. (p. 1093).  
Passed with amendment H.R. 2235, to authorize the Secretary of the Interior to construct the Santa Maria project, Southern Pacific Basin, Calif. (pp. 1101-08).  
Received a National Society of the Sons of Utah Pioneers petition recommending the immediate construction of the Echo Park Dam (p. 1131).
5. PERSONNEL. A Post Office and Civil Service Subcommittee approved for reporting to the full committee with amendments H.R. 7554, to provide for the payment of employees working on an hourly or per diem basis when the Government is closed by administrative order (p. D98).
6. COFFEE PRICES. Rep. Sadlak protested against and Rep. Steed urged an investigation on the rising cost of coffee (pp. 1083, 1120-22).
7. TREATIES. Received a petition in favor of, and Rep. Javits spoke against, the Bricker amendment to limit the President's treaty power (pp. 1083, 1131).
8. ST. LAWRENCE SEAWAY. Rep. Friedel spoke on the reasons he opposed this project (pp. 1086-87).
9. TVA. Rep. Cooper criticized the Administration for not recommending funds for expansion of TVA (pp. 1117-19).
10. BUDGETING. Received a Budget Bureau report on the operation of its Circular No. A-45 upon departments, agencies and corporations of the Government (p. 1123).
11. COMMITTEE EXPENDITURES. Received the reports of each committee, including Agriculture, Appropriations, and Government Operations, showing the name, profession and total salary of each person employed (pp. 1124-29).
12. ORGANIZATION. Received from the President a proposed supplemental appropriation of \$60,000 for the President's Advisory Committee on Government Organization (H. Doc. 310) (p. 1123).
13. GENERAL SERVICES. Received the annual report of the Administrator of General Services Administration (p. 1123).
14. RESEARCH. Received a Colo. Legislature memorial urging Congress to appropriate sufficient funds to effectively administer the Department's experiment stations in the Great Plains (p. 1130).



# House of Representatives

TUESDAY, FEBRUARY 2, 1954

The House met at 12 o'clock noon.

Rev. Jon K. Smedberg, St. Andrews Episcopal Church, Grayslake, Ill., offered the following prayer:

Let us pray.

Almighty God, who hast given us this good land for our heritage; we humbly beseech Thee that we may always prove ourselves a people mindful of Thy favor and glad to do Thy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from violence, discord, and confusion; from pride and arrogance, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. Endue with the spirit of wisdom those to whom in Thy name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to Thy law, we may show forth Thy praise among the nations of the earth. In the time of prosperity, fill our hearts with thankfulness, and in the day of trouble, suffer not our trust in Thee to fail; all which we ask through Jesus Christ our Lord. Amen.

## THE JOURNAL

The Journal of the proceedings of Friday, January 29, 1954, was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed an amendment in which the concurrence of the House is requested, to a joint resolution of the House of the following title:

H. J. Res. 358. Joint resolution to discharge indebtedness of the Commodity Credit Corporation.

The message also announced that the Senate insists upon its amendment to the foregoing joint resolution, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRIDGES, Mr. YOUNG, Mr. FERGUSON, Mr. AIKEN, Mr. RUSSELL, Mr. HAYDEN, and Mr. ELLENDER to be the conferees on the part of the Senate.

## TO DISCHARGE INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to

take from the Speaker's table the resolution (H. J. Res. 358) to discharge the indebtedness of the Commodity Credit Corporation, with a Senate amendment thereto, disagree to the amendment of the Senate and agree to the conference requested by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. H. CARL ANDERSEN]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. H. CARL ANDERSEN, Mr. HORAN, Mr. HUNTER, Mr. LAIRD, Mr. TABER, Mr. WHITTEN, Mr. CANNON, and Mr. MARSHALL.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on House Joint Resolution 358.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

## GROUNDHOG DAY

(Mr. GAVIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GAVIN. Mr. Speaker, for the edification of the Members of the House, today is Groundhog Day—a great day for Punxsutawney, Jefferson County, Pa. The day when that great prognosticator of the weather, the world's renowned meteorologist, forecasts the weather for the next 6 weeks from his home in the Pennsylvania hills, on Gobbler's Knob in Punxsutawney.

According to a wire I received from Mr. Sam Light, president of the Punxsutawney, Pa., Groundhog Club, the one and only recognized weather authority has spoken.

The wire reads:

PUNXSUTAWNEY, PA., WEATHER WORKS,  
7:28 a. m., February 2, 1954.

The world's foremost and only true weather prophet, the seer of seers' burrow door slowly squeaked open this predawn chilly morning. The sun was just beginning to filter through the clouds. The seer emerged and cast a long, long shadow. Button up your overcoats, and throw another bucket of coal on the fire. It's 6 more weeks of winter and that is straight from the groundhog's shadow.

## GROUNDHOG DAY

(Mr. DAVIS of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Wisconsin. Mr. Speaker, I recognize that these remarks will

be a source of consternation to the gentleman from Pennsylvania, Representative LEON H. GAVIN, who for years has ridiculously championed the forecasting claims of the illegitimate groundhogs of Punxsutawney, but facts are facts, and the truth will out.

I consider it my responsibility to correctly advise my colleagues, even at the expense of the reputation of my good friend from the environs of Gobbler's Knob.

This morning, in Sun Prairie, Dane County, in the Second Congressional District of Wisconsin, the official groundhog weather forecast occurred.

Here, in the groundhog capitol of the world, members of the Sun Prairie Groundhog Club gathered breathlessly at the burrow to receive their message from Sir-No-Talk-In-Sleep, the groundhog king of the world.

At precisely 8 a. m. central standard time the king appeared cloaked in the greatest of dignity and the slickest of fur. Accompanied by his beautiful queen, the former Miss Sleep-All-Winter, with whom he was joined in an official ceremony 2 years ago, and his handsome albino son, the dauphin groundhog prince, Sir-No-Talk-In-Sleep was greeted by a cheering crowd and a cloudless Wisconsin sky.

The forecaster king stretched himself and cast a long shadow across the snow. Stanley Rea, of the Wisconsin State Journal, official watcher of the burrow and assistant prognosticator, was ready for the occasion. He flashed the word to the millions of groundhogs who acknowledged Sun Prairie as their world capital: "Sir-No-Talk-In-Sleep just saw his shadow—there will be 6 more weeks of winter."

Sun Prairie's Groundhog Club president, Stanley Fisher, informed me that the dauphin groundhog prince had made exactly the same forecast as his distinguished sire, thus assuring the continuance of Sun Prairie's exalted world position.

Tonight, Mr. Fisher will preside over a large banquet to be followed by two dances, all to be attended by the royal groundhog family. Proceeds will be divided among the March of Dimes, cancer, heart, and polio funds.

Emden Schey, Walter Braatz, and Margaret McGonigle, Groundhog Club officers, will assist their president in assuring that the world groundhog capital pays proper tribute to the greatest groundhog forecaster of them all.

## THE LATE JOHN H. GRIFFIN

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)



The PRESIDING OFFICER. The perfecting amendment to the committee amendment will be read.

The CHIEF CLERK. In the committee amendment, on page 3, after line 4, it is proposed to insert the following new section:

SECTION 1. Clause 2 of article VI of the Constitution of the United States is hereby amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this clause, no treaty made after the establishment of this Constitution shall be the supreme law of the land unless made in pursuance of this Constitution."

The PRESIDING OFFICER. The amendment will be received as a perfecting amendment to the committee amendment, and will be printed and lie on the table.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. I now understand there is at the desk an amendment in the nature of a substitute, submitted by the Senator from Georgia [Mr. GEORGE]. Is that correct?

Mr. KNOWLAND. That is my understanding also.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. The amendments which have just been submitted are in the nature of perfecting amendments to the amendment reported by the Judiciary Committee, are they not?

Mr. KNOWLAND. That is correct; they are in the nature of perfecting

amendments to the amendment of the Judiciary Committee.

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. Therefore, I assume that the perfecting amendments will be considered ahead of the amendment in the nature of a substitute. Is that correct?

The PRESIDING OFFICER. It is the understanding of the Chair that the perfecting amendments, in the order submitted, will be the pending business, and will be considered ahead of the amendment in the nature of a substitute, which previously was submitted.

Mr. DIRKSEN. Yes. They have precedence, under the rule, do they not?

The PRESIDING OFFICER. Only the first perfecting amendment offered by the Senator from Michigan, on behalf of himself and other Senators, to the committee amendment, is actually pending; but the others can be offered, and will take precedence in their turn, since they are submitted to the committee amendment as perfecting amendments, rather than amendments in the nature of a substitute.

Mr. KNOWLAND. Mr. President, I am very hopeful that we may be able to begin to vote on some of the amendments tomorrow. Since I have not given notice of an evening session today, I am about to move that the Senate take a recess until noon, tomorrow.

I hope all Senators will be able to adjust their schedules in such a way that if it becomes necessary to hold evening sessions during the remainder of the week,

we shall be able to do so, and shall be able to complete debate and perhaps also obtain some votes on the several amendments which have been submitted.

The PRESIDING OFFICER. Is the Senator from California giving the Senate formal notice that an evening session may be expected tomorrow evening?

Mr. KNOWLAND. Yes.

#### RECESS

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. KNOWLAND. Mr. President, unless there are other amendments to be submitted, or additional business to be transacted, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 3, 1954, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate February 2 (legislative day of January 22), 1954:

##### SMALL BUSINESS ADMINISTRATION

Wendell B. Barnes, of Oklahoma, to be Administrator of the Small Business Administration.

##### UNITED STATES DISTRICT JUDGE

Walter H. Hodge, of Alaska, to be United States district judge for division No. 2, district of Alaska, vice Joseph W. Kehoe, resigned.



of the Defense Department's proposed cataloging program, meeting with the following officials—Rear Adm. Murray L. Royar, Chief, Bureau of Supplies and Accounts, Department of the Navy; Roger F. Hepenstal, Director of Federal Cataloging Program; and Lt. Col. R. M. Handley, Chief, Cataloging Section, Supply Department, U. S. Marine Corps. Adjourned subject to call of the Chair.

#### LANDS—INDIANS—RECLAMATION

*Committee on Interior and Insular Affairs:* Ordered the following bills reported to the House, amended—

H. R. 582, to authorize an investigation and report on the advisability of a national monument in Brooklyn, N. Y.;

H. R. 1705, private land-patent bill;

H. R. 3413, to grant oil and gas in lands on the Fort Peck Indian Reservation, Mont., to individual Indians in certain cases;

H. R. 4816, private land-patent bill;

H. R. 4984, to remove certain limitations upon the purposes for which the city of Miles City, Mont., may use certain land heretofore conveyed to it by the United States;

H. R. 5620, relating to Colorado township survey; and

H. R. 6455, to create a National Monument Commission.

Reported without amendment was H. R. 6251, authorizing conveyance of lands embraced in Shoshone Cavern to the city of Cody, Wyo., for public recreational use.

Other actions taken at today's meeting were—

Disapproved, but will reconsider at next regular meeting, S. 79, regarding acquisition of non-Federal cave properties within authorized boundaries of Mammoth National Cave Park, Ky.;

Rereferred to Subcommittee on Indian Affairs, H. R. 2974, adding to the revised roll of the Indians of California to certain Indians who applied for enrollment in legal time limit;

Adopted resolution granting 22 national park concession awards;

Agreed to amendments to be offered during House consideration of H. R. 4646, to provide for the exchange of certain public and private lands; and

Requested return of the following bills from the House Calendar for further hearings—

H. R. 4551, to amend the Reclamation Project Act of 1939 by removing authorization of projects by the Secretary of the Interior (rule requested); and

H. R. 4985, to provide a decree of competency for United States Indians in certain cases (rule requested).

#### HOSPITAL CONSTRUCTION

*Committee on Interstate and Foreign Commerce:* Postponed scheduled hearings until Thursday, February 4, when it will hear Secretary of Department of Health, Education, and Welfare Oveta Culp Hobby on H. R.

7341, to amend the hospital survey and construction provisions of the Public Health Service Act to provide matching grants by the Federal Government to State programs for the construction of certain facilities.

#### HEALTH INSURANCE

*Committee on Interstate and Foreign Commerce:* Resumed present series of hearings in its study of methods now available to groups and individuals to protect themselves against the cost of illness, and to find ways and means of expanding the same. Today's witnesses were H. Theodore Sorg, president, New Jersey Blue Cross Plan, Princeton, N. J.; E. A. Van Steenwyk, chairman, Government Relations Committee, and executive director, the Associated Hospital Service of Philadelphia, Pa. Hearings will be continued tomorrow.

#### FLAGS—COURT PROCEDURES— IMMIGRATION—NATIONALITY

*Committee on the Judiciary:* Ordered the following bills reported to the House—

S. 2111, permitting the U. S. flag to fly 24 hours each day in Flag House Square, Baltimore, Md.;

S. 984, amended, making provision for judicial review of certain Tax Court decisions;

H. R. 1067, amended, to authorize the U. S. Supreme Court to make and publish rules for procedure on review of decisions of the Tax Court of the United States;

H. R. 7251, amended, a private bill; and

H. R. 5801, amended, providing that U. S. commissioners who are required to devote full time to the duties of their office may be allowed their necessary office expenses.

Also reported 38 private immigration bills (7 of the House and 31 of the Senate); H. Con. Res. 197, granting status of permanent residence to certain aliens; and 5 private claim bills of the House.

The following bills were tabled—

H. R. 139, to make it a Federal offense to use the U. S. flag for advertising purposes, or to mutilate, defile, or cast contempt upon it;

H. R. 1020, prohibiting use of U. S. flag for advertising purposes;

H. R. 1265, amending U. S. Code, regarding eligibility of members of the bar of the Supreme Court to practice before all U. S. courts of appeals and district courts;

H. R. 3417, amending U. S. Code regarding imposition of penalties for using U. S. flag for advertising purposes;

Five bills providing for repeal of the Immigration and Nationality Act of 1952 (H. R. 220, 435, 2710, 2959, and 3914); and

Fifty-one private immigration bills of the House.

#### POSTAL RATE READJUSTMENTS

*Committee on Post Office and Civil Service:* Continued executive consideration of H. R. 6052, to revise and increase postal rates. Recessed on the proposal to tomorrow morning.



## FEDERAL SERVICE

*Committee on Post Office and Civil Service:* The Hagen Subcommittee on Civil Service held executive session on subject of incentive awards program. The same topic will be scheduled at a future meeting date, to be set by the Chair.

## FEDERAL PER DIEM EMPLOYEES

*Committee on Post Office and Civil Service:* The Gross subcommittee approved for reporting to the full committee H. R. 7554, with amendments, which would make payment mandatory for days when per diem and hourly workers are prevented from working by administrative order under such regulations as the President may promulgate.

## FEDERAL NAVIGATION PROGRAM

*Committee on Public Works:* The Subcommittee on Rivers and Harbors began hearings today on river and harbor authorizations for projects on which the Chief of Engineers has submitted favorable reports since the passage of the River and Harbor Act of 1950. Maj. Gen. Samuel D. Sturgis, Chief of Engineers, opened the testimony of the Corps of Engineers with a report on the status of the Federal navigation program, together with his recommendations for further supplementing the authorized program. General Sturgis was accompanied by Brig. Gen. E. C. Itschner, Deputy Assistant Chief of Engineers for Civil Works, and Col. W. D. Milne, Corps of Engineers.

Projects in the New England area were considered and discussed by the following Members of the House: Lubec Channel, Maine (Representative McIntire);

Lynn Harbor, Mass. (Representative Lane); and Scituate Harbor, Mass. (Representative Nicholson). Hearings will be continued tomorrow afternoon.

## AGENDA

*Committee on Un-American Activities:* Met in executive session to discuss bills introduced in the 83d Congress and referred to the committee for consideration.

## Joint Committee Meetings

## PRESIDENT'S ECONOMIC REPORT

*Joint Committee on the Economic Report:* Committee began open hearings on the President's economic report, recently submitted to Congress, and received testimony today from Secretary of the Treasury Humphrey. Secretary Humphrey discussed the President's report with the committee, with particular emphasis on the proposed changes in the Nation's tax structure. Hearings continue tomorrow.

## AEC REPORT

*Joint Committee on Atomic Energy:* Committee met in executive session to receive a report from Lewis L. Strauss, Chairman of the Atomic Energy Commission.

## CCC INDEBTEDNESS

*Conferees,* on H. J. Res. 358, to discharge the indebtedness of the Commodity Credit Corporation; met in executive session to work out the differences between the Senate- and House-passed versions of the bill, but did not reach final agreement, and recessed subject to call.

COMMITTEE MEETINGS FOR WEDNESDAY,  
FEBRUARY 3

(All meetings are open unless otherwise designated)

## Senate

*Committee on Agriculture and Forestry,* executive, on S. 2548, administration of national forest lands, S. 2549, improvement of soil conservation works, and S. 1386, extend provisions of Commodity Exchange Act to coffee, 10 a. m.; open, on farm seminar of the National Council of Christian Churches, 2 p. m., both in 324 Senate Office Building.

*Committee on Appropriations,* Subcommittee on Army Civil Functions, on rivers and harbors projects, with Brig. Gen. C. H. Chorpene and Lt. Col. G. F. Dixon, 10 a. m., room F-39, Capitol.

*Committee on Armed Services,* executive, briefing by Secretary of Navy Anderson, Admiral Carney, CNO, and Gen. Shepherd, Commandant of Marine Corps, 10 a. m., 212 Senate Office Building.

*Committee on Banking and Currency,* Subcommittee on Securities, Insurance, and Banking, on S. 2846, to amend certain provisions of the Securities Act of 1933, 10 a. m., 301 Senate Office Building.

*Committee on Interior and Insular Affairs,* executive, to consider Alaska statehood bill, 10 a. m., 224 Senate Office Building.

*Committee on Interstate and Foreign Commerce,* executive, organizational meeting, 10 a. m., room G-16, Capitol.

*Committee on the Judiciary,* subcommittee, on nomination of John A. Danaher to be U. S. circuit judge of D. C. circuit, 10 a. m., 424 Senate Office Building.

*Committee on Labor and Public Welfare,* on Taft-Hartley amendments, 9:30 a. m., room P-63, Capitol.

*Committee on Post Office and Civil Service,* on S. 2728, collection of indebtedness of military and civilian personnel, S. 2773, transportation of mails on motor-vehicle routes, and S. 361, contracts for carrying mail on water routes, 10 a. m., 135 Senate Office Building.

## House

*Committee on Agriculture,* executive meeting on legislative program, 10 a. m., 1310 New House Office Building. Also scheduled to hear representatives of church groups on national farm program (3:30 p. m.).

*Committee on Armed Services,* on H. R. 7301, to establish limitations on the number of officers who may serve in the commissioned grades in the armed services, 10 a. m., 313-A Old House Office Building.

Subcommittee on Defense to consider merits of use of concrete paving for airstrips as against asphalt paving, 10 a. m., 304 Old House Office Building.

*Committee on the District of Columbia,* Subcommittee on Public Service, Streets, and Traffic, executive, 10:30 a. m., 445 Old House Office Building.

*Committee on Government Operations,* regular meeting day, executive, 10 a. m., 1501 New House Office Building.



Mrs. ROGERS of Massachusetts. Mr. Speaker, it is with a heavy heart that I bring the shocking news of the death of an illustrious constituent of mine, Mr. John H. Griffin, the editor in chief of the Boston Post. A man of unusual ability and of great loyalty to his church and to his country has suddenly departed from this life and has left a vacuum where he once stood and contributed so much to the daily life of our New England community. Under permission to extend my remarks in the CONGRESSIONAL RECORD, I shall present to the Congress the interesting details regarding this man's distinguished life and the qualities he so constantly illustrated in his daily association with his fellow men. I hope all of you, my colleagues here in the Congress, will take a few moments of your busy time to read my remarks in the Appendix regarding this loyal and admirable American.

[The matter referred to appears in the Appendix.]

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, like the gentlewoman from Massachusetts, I feel deeply grieved at the passing of John Griffin, who was one of the outstanding men of his profession. He was one of the leading officials of a great newspaper, the Boston Post. For years he gave to the people of the community the benefit of the great mind he had in a forward-looking and constructive manner. John Griffin was a valued friend of mine for many years and his death is a personal loss to me. To his loved ones I extend my deep sympathy in their bereavement.

#### JOHN GRIFFIN: A NEWSPAPERMAN TO REMEMBER

Mr. LANE. Mr. Speaker, John H. Griffin, editor in chief of the Boston Post, the morning newspaper of New England, is dead. In his prime at the age of 55, worn out by his devotion to the profession of journalism.

Those of us who were fortunate to know him as a friend, admired his character and ability. Others, now reading about him at his journey's end, will sense that he was a fine American, in one of the most difficult of all callings, in the service of a free press that is the greatest protector of our liberties.

John Griffin, grew up in the honest, fearless, and independent atmosphere of Yankee journalism reverencing facts in its news reporting, and crusading for higher standards in the lives of public officials and private citizens, in Government, in business, and in every humble job to be well done.

Deep in his heart he knew that freedom of information is the inspiration for all that we have accomplished both as human beings and as a nation. As long as we have men and women to dedicate their lives to this ideal as John Griffin did, our country will go forward,

lighting up the way for itself and humanity.

I recommend as an example to all students of journalism, John Griffin, a graduate of Catholic University, where he learned those moral precepts without which knowledge is lacking in fulfillment. He rounded out his studies at the Harvard Graduate School. As a working reporter he started out with the Springfield (Mass.) Union, where many of the best in the business recommend for basic training, later he advanced to the Boston Herald, then to the position of Sunday editor of the Boston Post, and finally becoming its editor in chief.

He was the outstanding member of a panel of New England newspaper editors who appeared weekly on a regular television show. It was here that he developed a wide personal following for his knack of getting to the heart of any public issue. Communism never had a chance in New England after he set out to expose it relentlessly with a surgeon's skill and a newspaperman's courage.

To his widow and his six children, and to the staff of the Boston Post, which was his adopted family, we extend a nation's sympathy.

John Griffin's typewriter is silent, but his memory lives on in the company of other great journalists whose unseen presence guides the clattering keys that send out the news of the day in every paper, large and small, throughout the United States.

And every reporter will be heartened as he thinks of John Griffin, of the American creed that he lived and died for: "Always write the truth that makes and keeps us free."

#### THE RISING COST OF COFFEE

(Mr. SADLAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SADLAK. Mr. Speaker, what I will say at this time has nothing to do with groundhogs, since I have no official report on the groundhog seeing or not seeing its shadow in Connecticut this morning. However, my statement is germane only to the extent that the product involved requires ground for cultivation and is ground when used in making a drinking delicacy which I greatly enjoy. As a personal protest against the rise in coffee prices, I have quit drinking my usual 6 to 8 cups of coffee daily during the month of February.

#### AMENDMENT TO LIMIT PRESIDENT'S TREATYMAKING POWERS SUGGESTED EISENHOWER DOCTRINE

(Mr. JAVITS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAVITS. Mr. Speaker, just as the grave dangers of this constitutional amendment changing the constitutional separation of the powers after 164 years of experience are being widely recognized in the country so too are the dangers inherent in the much-discussed compro-

mises. These compromises seek to introduce new methods for handling the foreign policy of the country which would be so much open to controversy themselves as to leave unsettled the very assurances, safeguards or restraints which are stated to be the reason for them.

At a juncture rarely equaled in our peacetime history when we are seeking to resolve tremendous world issues by negotiation, to make a start on the control of atomic weapons and other methods of mass destruction and to avoid world war III it would be most inopportune to leave in doubt the definition of the powers in handling the country's foreign policy. In addition, it is generally admitted that President Eisenhower's especial appeal to the American people is expressly in this field; why, then, change the balance of constitutional powers now?

I suggest as an alternative for those who continue to have fears that treaties or executive agreements can cut across the Constitution that the President promulgate the Eisenhower doctrine to the effect that the treaty-making power and the authority of treaties is such that no treaty or executive agreement, which conflicts with the Constitution, shall be of any force or effect. Our experience with declarations like the Monroe Doctrine, the Emancipation Proclamation, President Wilson's 14 Points and the Atlantic Charter doctrine of World War II shows the historic force which such a declaration by President Eisenhower would have.

Senate rules can deal with implementing the two-thirds majority required in the Senate to approve treaties by requiring the yeas and nays and other matters, and further consideration may be given to the idea of joining the House of Representatives in the treaty approval power, but the debate now going on relating to the powers of the President in foreign affairs rather than the powers intra the Congress can and should be settled without compromise on fundamentals. Complete assurances to reasonable fears, if any, of the abuse of Presidential powers in foreign affairs may be given by the Presidential declaration I have suggested.

#### SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

#### UNITED STATES INDIANS

Mr. MILLER of Nebraska. Mr. Speaker, on July 15, 1953, the Committee on Interior and Insular Affairs reported to the House favorably with amendments H. R. 4985, to provide a decree of competency for United States Indians in certain cases. The committee since has received evidence that it might be desirable to reconsider provisions of this bill, and I therefore ask unanimous consent that it be recom-



mitted to the committee so that further hearings may be held.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

#### EXCHANGE OF CERTAIN PUBLIC AND PRIVATE LANDS

Mr. MILLER of Nebraska. Mr. Speaker on July 27, 1953, the Committee on Interior and Insular Affairs reported to the House favorably with amendments H. R. 4646, to provide for the exchange of certain public and private lands. A rule was granted on July 29 but the bill was not called up before adjournment. During the recess, the author, Mr. ELLSWORTH, worked with the Forest Service in an effort to evolve language that would remove certain objections raised to the bill. The committee now has approved language which it wishes to offer as a committee amendment to H. R. 4646. I therefore ask unanimous consent that the committee be given permission to file a supplemental report to H. R. 4646 so that the committee amendments may be before this body, together with certain pertinent information on the bill, and that the committee have until midnight February 4, to file a supplemental report.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

#### COMMENDING LAW ENFORCEMENT AGENCIES OF WASHINGTON

(Mr. ROBSION of Kentucky asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBSION of Kentucky. Mr. Speaker, I wish to commend Chief Robert V. Murray and the police department of Washington for the success of their determined effort to put an end to the crime wave which has gripped this city for some time.

In recent years, a great number of persons have come to Washington who do not appreciate the privilege of living in this fine city and who have refused to accept the responsibilities of citizenship. They have robbed, raped and murdered to the extent that Washington has one of the highest major crime rates of any city in the United States. They have brought disgrace to the Nation's capital and made it a poor place for decent citizens to live.

But a change has taken place and it now appears the police and law courts have served notice on the underworld that Washington no longer will be a haven for bandits, rapists, murderers and racketeers. And, those who live in the Capital City must behave themselves or suffer the consequences of their misconduct. Events of the past week prove without question the police department means business in dealing with criminals, and they can count on many members of Congress and myself to support any request for funds to hire additional policemen if needed, and any new jail

or penitentiary that may be necessary, to keep the underworld from roaming the streets of Washington.

#### HEARINGS ON FLOOD-CONTROL PROJECTS

(Mr. DONDERO asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONDERO. Mr. Speaker, 2 weeks from today, on February 16, the gentleman from Washington, Mr. RUSSELL MACK, chairman of the Subcommittee on Flood Control, will begin hearings on flood-control projects which have had the approval of the Army engineers. Hearings will be held in the committee room, 1302, of the New House Office Building.

I am extending in the Appendix of the RECORD a list of those projects which thus far have had the approval of the Corps of the Army Engineers and in which many Members of the House no doubt are interested.

#### SPECIAL ORDER GRANTED

Mr. FOGARTY asked and was granted permission to address the House for 30 minutes on tomorrow, after all the legislative business of the day has been disposed of and following any other special orders heretofore entered.

#### BORROWING AUTHORITY OF THE COMMODITY CREDIT CORPORATION

(Mr. WHITTEN asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, the other body has failed to pass the resolution extending the lending authority of the Commodity Credit Corporation, in the resolution which this House handled last Thursday, in the way we passed it. They have provided in their action only a sufficient amount of funds to run that Corporation for about two and a half weeks. The matter now goes to conference and I take this occasion to point out again that while the value of commodities in the hands of the Commodity Credit Corporation, farm commodities, is in excess of \$6,700,000,000, those commodities, nearly all of them, have not been before and are not now offered for sale on the competitive world market at prevailing prices.

The law authorizes such sale. They are being held off the market, not to protect the interests of the American farmers, but against the interests of the American farmers. I feel that those in our Government, whatever the merit may be for such withholding of those commodities from the market, should have charged up to them what is being done, instead of that being charged up to the farmer.

In extending my remarks, I call attention again to the bill which I have introduced which would require that these commodities which are in the hands of the Commodity Credit Corporation be of-

fered on the world market at prevailing prices as now authorized by law. Then the Government's investment would be the difference between what we loaned on them and what we sold them for. As long as we refuse to sell them, we are charging ourselves with the total value. That is not the fault of the farmer.

Mr. Speaker, in view of the failure of the Senate to pass the resolution we passed in the House last Friday increasing the borrowing authority of the Commodity Credit Corporation. I present herewith copy of bill which I introduced January 27, 1954. This bill, I think, points up this major problem with the price-support system and the cause of the present situation. By Government policy most of the commodities which the Commodity Credit Corporation has on hand are not offered on the world market at competitive prices. The law authorizes such sale. In fact, the law contemplates such sale.

I point out that firm contracts were given for industrial production at cost plus a profit to meet the needs of the Nation during World War II and in the emergency since. Not only that, but huge grants were made to get industry to expand. More than \$29 billion in quick tax amortization were granted. We have built up and now have on hand \$129 million worth of military materiel, but this is not on the domestic market. At the end of World War II industry was granted about \$16 billion for reconversion to keep industrial labor employed.

With a few minor exceptions there were no grants nor quick tax amortization made to farmers. Nor were firm contracts given for increased agricultural production, and 90 percent of the comparative purchasing power the farmer had in 1909-14 through loans was the usual maximum. Much of such production was held in this country by export restrictions when large profits could have been had from sale on the world markets. With the end of World War II no such payments were made to farmers as were made to industry for reconversion costs. Actually some export restrictions were maintained prohibiting export at any price. Now such commodities are still on the domestic market at support price plus 5 percent to force farm commodities through the loan program, and most of them, billions of dollars' worth, are not being offered on the world market at competitive or prevailing world prices. To refuse to offer such commodities for sale to the world markets except at higher than world prices, is to bottle them up within our own country as a depressing influence on our domestic market. It permits the industrial users in our own country to buy at their pleasure, without the need of carrying any sizable inventory.

We are advised that such course has been followed because of our national foreign policy and other complications. The State Department, Commerce Department and others have largely forced this policy of not offering such commodities on the world market at competitive prices. This has resulted in a backup of commodities, with the large Government investment. The borrowing authority of the Commodity Credit Corpo-



ration is practically exhausted and large storage charges are being incurred. The Government is out the total amount invested as the matter stands. If such commodities were sold on the world market, then the Government would be out only the difference between the support price and the amount received from sale. Not only that, but American farmers are losing world market outlets for the future because such commodities are not offered at prevailing or world prices.

You will note in the first section of the bill the Commodity Credit Corporation is authorized to consider the national interest, and thereby provision can be made to move these supplies back into world market channels in an orderly way.

Where the world markets simply cannot absorb all these commodities at the present time, without a drastic break in world prices, a quantity of such commodities could be insulated as recommended by the President pending orderly movement of such commodities as could be absorbed by the market.

In the last section provision is made for the President to prohibit sales for use in Communist-dominated countries, where such use in his judgment would be detrimental to our security.

It is not the original producer, the farmer, whose interest is being served by keeping his product off the world market. Such action represents the interest and efforts of those with interests which conflict with the farmer. Unless we get relief, the farmer comes out second best.

The action called for in this bill is sound. Certainly it points up the fact that with such a national policy as we now have, these commodities should be charged largely to whatever national interest is responsible for keeping these commodities off the world market instead of being charged solely to agriculture, unless the purpose be to destroy the farm program.

I herewith present this bill:

H. R. 7546

A bill to authorize the sale of farm commodities by the Commodity Credit Corporation, and for other purposes

*Be it enacted, etc.,* That the Congress hereby finds and declares that the farm price-support system is designed for the purpose of stabilizing the farm income of American farmers and assuring sufficient return to protect the land and other natural resources. The Congress further finds and declares that all peoples and governments have the inherent right to offer on the world market any and all commodities at competitive prices; and it is therefore declared to be the policy of the United States that our domestic farm program shall not be used to keep American agricultural commodities from being offered on the world market at competitive prices.

Sec. 2. The Commodity Credit Corporation is hereby authorized and directed to determine what part of present stocks of farm or agricultural commodities in its hands should be held as essential to the national security or in the national interest, and upon such determination title to all such commodities so determined to be essential to the national security shall be transferred to the Department of National Defense, and all commodities so transferred shall be taken off the market: *Provided, however,* That to prevent spoilage or deterioration any part of

such commodities may be returned to the Commodity Credit Corporation for sale as hereinafter provided and replaced with a like amount or quantity from Commodity Credit Corporation stocks.

Sec. 3. In order to make American farm commodities available to users in other countries on the same basis as farm commodities from other nations, all other agricultural commodities of whatever kind or character, title to which is in the Commodity Credit Corporation, unless already committed for sale shall be offered for sale for use outside the continental United States, its Territories, and possessions, at prevailing or competitive world prices: *Provided, however,* That the President by Executive order may restrict or prohibit sales of such commodities for use in Communist-dominated countries when in his opinion such sales would be against the interest of the United States.

#### CORRECTION OF RECORD

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to correct a typographical error in the RECORD of January 25, 1954, in the third paragraph of my remarks. The figure "\$15 million" should be corrected to read "\$15 billion."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### DELETION FROM RECORD

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to revise in the permanent RECORD and to have stricken out a paragraph which inadvertently got into my remarks, which upon rereading I think might be construed by some members of a committee of the House to be criticism by me or an impugning of their motives, which I certainly did not intend. Therefore, I ask unanimous consent that the paragraph be stricken from the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### A PUBLIC APPEAL TO GENERAL MOTORS

(Mr. LANE asked and was given permission to extend his remarks at this point.)

Mr. LANE. Mr. Speaker, in our great and prosperous Nation, there are scattered labor-surplus areas, some of them classified as chronic.

We are optimistic regarding the United States as a whole, but you will agree with me, I am sure, that we cannot close our eyes to critical areas of unemployment, however few in number they may be.

The Federal Government has been thoroughly briefed on this problem, but prefers to ignore it.

Our only alternative is to appeal to General Motors, as the largest and the most successful unit in the American economy, and as the symbol of free enterprise, to help us put our vacant factories into new and useful production.

We see hope in the announcement that your corporation will spend a billion

dollars to expand output. This is proof of your confidence in the demand for your products and in the economic future of our Nation.

I represent a district in Massachusetts where the gradual exodus of the textile industry has resulted in serious and prolonged unemployment. Local individuals and groups are working hard to replace our lost industries. As a Member of Congress, I am searching for a solution in every possible way that I can.

Now, for this area, the problem has become acute.

Greater Lawrence, Mass., has a population of 125,000. It is going through a difficult period of transition. For years textile concerns have been closing or moving to the south and replacement industries have not succeeded in filling the gap. Now, with the imminent end of textile manufacturing in the Wood Mill, the largest woolen-worsted plant in the world, and the key factor in the employment of our people, I have no recourse but to appeal directly to you. I pray that out of this may come help for Lawrence, help that will become a pilot plan to demonstrate how industry can move in to take up the slack in other labor-market areas as well, and prove how private enterprise can overcome any challenge.

Therefore, as part of your expansion program, we ask you to purchase the Wood Mill in Lawrence and adapt it to the manufacture of a General Motors product.

Yours is a growth-industry, and we want to grow with you. It is not charity that we seek, because we offer you the following advantages in return:

Within a 500-mile radius of this city is the largest concentration of industrial markets, barring none.

Its people are skilled in machine-type operations.

Railroads, planes, trucks, and ships, afford ample and convenient transportation facilities.

Power is plentiful.

The finest research centers are only 25 miles away.

These are objective facts that can be checked and verified.

In addition—and perhaps most important of all—you can count on 100 per cent community cooperation.

We are willing and anxious to invest—all the citizens of greater Lawrence, from local bankers down to the man or woman with but \$50 left in savings—to buy this plant and lease it to you if necessary. We are even prepared to build a new plant if it will encourage you to locate a branch of your diversified production here.

What more inspiring offer could you receive than this?

Jointly to create those employment opportunities which we, on our part, will repay with our proven ability to produce.

It may be unprecedented for a Congressman to avail himself of this national forum to make this urgent and public appeal to General Motors, but I do so because it is the dynamic representative of our free-enterprise system.

Such is the measure of our need, our hope, and our faith.



# MY OPPOSITION TO THE ST. LAWRENCE WATERWAY PROJECT

(Mr. FRIEDEL asked and was given permission to extend his remarks at this point.)

Mr. FRIEDEL. Mr. Speaker, if a legislator wants to be proficient in his job, there is one guiding rule he would do well to follow and that is the all-wise dictum: Get the facts.

As I have followed discussion of the proposed St. Lawrence Waterway, I have been struck with the thought that here is a subject upon which there is much misinformation, yes, misinformation in large gulps.

Over the years as this waterway deal has been churned up in the Halls of Congress the claims for it appear to increase and multiply in volume and scope until today, in the view of its advocates, it represents the great deliverance from all economic woes.

So I feel, Mr. Speaker, we can become engaged in no better task than to review carefully the essential facts of this proposal.

First about the adequacy of the proposed 27-foot channel. It is an indisputable fact, Mr. Speaker, that the 27-foot channel would allow for the passage of only about 4 percent of American-flag ocean-going vessels when loaded. This is the statement of the National Federation of American Shipping, Inc., which represents the overwhelming majority of all deep-water, dry-cargo American-flag shipping. It is well established that the 27-foot channel would not permit passage of our Liberty ships. It is a pertinent commentary on this whole proposal, Mr. Speaker, that because of the inadequacy of the 27-foot channel for our ships, the Department of Commerce in its surveys on the potential tonnage for the waterway based its figures on American-flag ships being only partly loaded. What a ridiculous proposition. And on top of this consideration is the development which finds the trend in building veering to larger American-flag ships for economical reasons.

Perhaps one of the most damaging bits of testimony relating to this 27-foot channel business, Mr. Speaker, was the opinion of the late Secretary of Defense James Forrestal, who, under date of February 19, 1949, wrote to Senator WILEY:

American-flag oceangoing ships are predominantly deep-draft vessels, designed to operate economically at drafts ranging from 26 to 30 feet. A seaway of a 27-foot depth would not accommodate as large a portion of American vessels, fully loaded, as would a seaway with a deeper channel of, for example, 30 feet, which would accommodate a majority of United States shipping.

This is only a fragment of the testimony that is available, Mr. Speaker, on the inadequacy of the 27-foot channel. One can only wonder then why the proponents of this plan still stick to this depth, a figure which was first proposed back in 1928. The only plausible answer seems to be that they are afraid to up the depth limit owing to the great jump in cost between the 27-foot and the 30-foot channel or 35-foot channel, and are going on the theory that if they

can crack this project first, then they will have made a start and in a short time come back in here for the additional millions to deepen the channel to practical depths.

Along these lines I would like to quote from the testimony of Raymond V. Long, acting director, Virginia Department of Conservation and Development, Richmond, Va., in his statement to the Senate Foreign Relations Committee, made at the instance of Gov. John S. Battle, of Virginia.

Mr. Long had this to say:

It is generally assumed that the completion of the proposed St. Lawrence seaway project will cost many millions of dollars more for the completed project than the estimated \$818 million, of which amount the United States would be responsible for \$567 million. The prevailing opinion appears to estimate the cost at at least \$1 billion for a channel 27 feet in depth. It is recognized by all who are thinking seriously and honestly of the economics of the proposal that a 27-foot channel will accommodate only a small proportion of oceangoing vessels; and, in view of the increasing production of oceangoing vessels, barges and tankers requiring a 35-foot channel, the proposed project would be obsolete and distinctly limited in use long before its construction. If the proposed Senate bill 589 is passed providing for the 27-foot channel, it is reasonable to predict that, as the project gets under way and large sums of money are obligated, strong pressure would be brought to bear for increasing the depth of the channel, which is estimated would cost at least twice the presently estimated cost.

Mr. Long's testimony gives corroboration to some of my opening remarks, Mr. Speaker. Many others have expressed the same opinion. This project, despite its lack of feasibility is being purposely held down to an economy size so that a start can be made and once that is accomplished the bidding will be raised every time we turn around.

While I have Mr. Long's testimony before me, Mr. Speaker, he has another paragraph that is loaded with good, common sense, and I would like to take the liberty of quoting it:

The bill proposes to authorize the St. Lawrence Seaway Development Corporation, which would have authority to construct the proposed seaway by means of issuing bonds and amortizing the bonds by charging tolls. But if the tolls fail to pay off the bonds, they become a direct obligation of the United States Government. There is no reasonable assurance that the tolls will pay off, but on the contrary, a strong probability that the United States Government must sooner or later assume a huge financial responsibility for the undertaking, if authorized. Furthermore, the seaway can be used only about 7 months out of the year, and since the volume of shipping during those 7 months is limited and estimated only, it appears that the tolls would either be exorbitantly high or over a period of years the cost of the project would be subsidized by the Government.

We can readily see, Mr. Speaker, that the prospective volume of traffic the waterway would bear and the tolls it would produce become vital elements for close study. I might say in this respect that the figure on the potential traffic volume for this waterway has been a bouncing-ball sort of thing over the 30 years that the project has been agitated. Going back to 1934, the Army engineers at that time estimated 27 million tons. Coming

down to 1941, the Department of Commerce placed its estimate at 25 million tons. Again in 1947, the National St. Lawrence Association, the organization which later became the Great Lakes-St. Lawrence Association, gave an estimate of 37 million tons.

Estimates, it appears, Mr. Speaker, are variables, dependent upon the enthusiastic zeal of the individual estimator. For we find when the problem gets into the hands of Paul M. Zeis of the Transportation Division of the Department of Commerce, he can see business for the waterway of 40½ million tons a year, by his 1947 estimate; then the following year, he got a firmer hold on himself and came up with the projection of from 57 to 84 million tons a year.

Now, to achieve this remarkable growth in tonnage estimates, Mr. Zeis reached out with a long arm and virtually garnered in all the possible traffic on the move, this estimate also accounted for the bringing in of more ore from Labrador than it is proposed to produce, a neat trick, I might add, in passing; he also included the shipment of oil by tankers which is the more likely to be handled by pipeline. These latter estimates have little relation to reality and certainly they cannot be used realistically in trying to find a base for fiscal expectations to set up toll schedules for revenue purposes.

So what it amounts to, Mr. Speaker, is that if this bill goes through, the United States Treasury will inherit a nice, juicy debt obligation, and this at a time when we have found it advisable to slash Air Force appropriations to the tune of billions of dollars in the name of economy.

It is difficult for me to understand how the same Congress which cut back defense appropriations, as did this Congress, can at the same time be prevailed upon to give serious attention to a handout project like this one.

In the reading of the record in these hearings I came across some views of a witness that hits this point effectively. I refer to partial remarks of William F. Giesen, general manager, Maritime Association of the port of New York, in which he states:

This Nation is becoming more and more aware of the fact that there is a totalitarian force on the face of the earth with designs upon us. It is apparent that we are and will be in a preparedness race for an incalculable length of time. The disproportion of our cost of preparedness and the cost of preparedness fabricated with slave labor is self-evident. A vast expenditure, or the underwriting of huge investments on enterprises of doubtful merit, should be something celebrated by the totalitarian forces as a step toward final success in their economic warfare. When a project such as this has been vetoed by the weight of opinion for over 30 years, it would appear to be self-evident that American participation is earmarked with at least doubtful necessity. The past record will disclose that the great doubts exist because of economic reasons, and more recently the question of protecting the contemplated seaway during a time of war has been fully considered.

Mr. Speaker I say the above remarks by Mr. Giesen put the proposition in proper perspective and he is to be con-









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 8, 1954  
For actions of February 5, 1954  
83rd-2nd, No. 22

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HIGHLIGHT: Senate received conference report on CCC-indebtedness measure.

## SENATE

1. COMMODITY CREDIT CORPORATION. Received the conference report on H. J. Res. 358, to discharge CCC indebtedness in the amount of \$550,151,848 (S. Doc. 96) (p. 1345). It is expected that this measure will be considered in both Houses today (p. D119).
2. TREATIES. Continued debate on S. J. Res. 1, the Bricker amendment to limit the treaty power (pp. 1323-44).
3. TENNESSEE VALLEY. Sen. Eastland and others spoke in defense of TVA (pp. 1318-23).
4. NOMINATIONS. The Banking and Currency Committee reported the nominations of Neil H. Jacoby and Walter W. Stewart to the Council of Economic Advisers (p. 1317).  
Confirmed the nomination of Laurence McKinley Gould to the National Science Board (p. 1317).
5. FOREIGN ECONOMIC POLICY. Received the report of the Commission on Foreign Economic Policy; to Finance Committee (p. 1311).
6. ST. LAWRENCE SEAWAY. Sen. Wiley commended the House committee action in voting to report a bill authorizing this project (pp. 1314-5).
7. ADJOURNED until Mon., Feb. 8 (p. 1345), when the calendar will be read (p. 1331).

## HOUSE

8. POSTAL RATES. The Post Office and Civil Service Committee voted to report with amendments H. R. 6052, to readjust postal rates (p. D117).

9. PERSONNEL. The Post Office and Civil Service Committee announced postponement, from Feb. 8 to Feb. 16, of the hearings on salary and employee-benefit bills for Federal workers (p. D117).

ITEMS IN APPENDIX

10. PRICE SUPPORTS. Sen. Young inserted a newspaper editorial defending his position on price supports (p. A960), a letter from H. M. Ekren to Life magazine supporting the Senator (pp. A962-3), and an editorial favoring the present price-support program (p. A964).
11. ELECTRIFICATION. Rep. Price inserted a Public Power article, "National Rural Electric Association Rebukes Assistant Secretary of the Interior and Fights Department's Policies" (pp. A965-6).
12. TREATIES. Discussion of the Brieker amendment (pp. A958-62).

COMMITTEE HEARING ANNOUNCEMENTS FOR FEB. 8: Mexican farm labor bill, H. Agriculture (S. Agriculture Feb. 9). U. S. D. A. appropriations (exec), H. Appropriations. Joint Committee on Economic Report. Fostering international travel and exchange of persons, H. Foreign Affairs.

For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.



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## COMMODITY CREDIT CORPORATION

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Mr. BRIDGES, from the committee of conference, submitted the following

CONFERENCE REPORT ON THE JOINT RESOLUTION (H. J. RES. 358)  
TO DISCHARGE INDEBTEDNESS OF THE COMMODITY CREDIT  
CORPORATION

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FEBRUARY 5 (legislative day, JANUARY 22), 1954.—Ordered to lie on the table  
and to be printed

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The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$550,151,848; and the Senate agree to the same.

STYLES BRIDGES,  
MILTON R. YOUNG,  
HOMER FERGUSON,  
GEORGE D. AIKEN,  
CARL HAYDEN,  
ALLEN J. ELLENDER,

*Managers on the Part of the Senate.*

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House;*





Mr. HUMPHREY. I may say to the distinguished majority leader that my remarks will not take more than 45 minutes or an hour. I hope, however, there will be in the Chamber 1 or 2 other Senators who are interested in the subject. Therefore, I would say the matter would not take more than an hour and a half.

Mr. KNOWLAND. Of course, since it is a matter of personal privilege, the Senator from Minnesota is entitled to speak at any time. However, is it his desire to speak before the customary morning hour for the transaction of routine business?

Mr. HUMPHREY. As a matter of fact, I am not particularly interested that it be before the morning hour. I can speak immediately following the morning hour. I thought it would accommodate every Member of the Senate if we had a definite understanding about it, and I would prefer to speak as early as possible on Monday.

Mr. KNOWLAND. If it would be agreeable to the Senator from Minnesota, I would prefer that the Senate have the customary morning hour which normally does not take more than 15 or 20 minutes—and I doubt very much that it will take much more time than that on Monday—and then have the Senate immediately proceed with the call of the calendar for the consideration of bills to which there is no objection. I know many Senators are planning on being in the Chamber during the call of the calendar and desire to leave immediately thereafter. So Senators who had made their arrangements before the Senator from Minnesota indicated he desired to speak on Monday would be confronted with somewhat of a problem.

Mr. HUMPHREY. Mr. President, in view of what the majority leader has stated, the junior Senator from Minnesota would greatly appreciate the privilege of coming to the Chamber at 12 o'clock noon, and immediately following the quorum call proceeding with his remarks. In view of the privilege accorded to Members of this body on a point of personal privilege, I feel I must ask that I be granted the privilege of speaking immediately after the quorum call.

Mr. KNOWLAND. Considering the statement made by the distinguished Senator from Minnesota I would certainly not object and I do not object.

Mr. HUMPHREY. I thank the distinguished majority leader.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered. Does the Chair understand that the Senator from Minnesota will have the floor immediately after the Senate convenes on Monday?

Mr. KNOWLAND. I assume the Senator from Minnesota will have the floor immediately after the approval of the Journal.

Mr. HUMPHREY. Immediately after the approval of the Journal and the quorum call.

The PRESIDING OFFICER. After the approval of the Journal and the

quorum call the Senator from Minnesota will have the floor. Without objection, it is so ordered.

#### DISCHARGE OF INDEBTEDNESS OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT (S. DOC. NO. 96)

Mr. BRIDGES submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, which was ordered to lie on the table and to be printed, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$550,151,848"; and the Senate agree to the same.

STYLES BRIDGES,  
MILTON R. YOUNG,  
HOMER FERGUSON,  
GEORGE D. AIKEN,  
CARL HAYDEN,  
ALLEN J. ELLENDER,

*Managers on the Part of the Senate.*

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House.*

#### ADJOURNMENT TO MONDAY

Mr. KNOWLAND. Mr. President, under the previous order of the Senate, I move that the Senate adjourn until Monday next at 12 o'clock.

The motion was agreed to; and (at 4 o'clock and 37 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, February 8, 1954, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate February 5 (legislative day of January 22), 1954:

##### UNITED NATIONS

Mrs. Oswald B. Lord, of New York, to be the representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations for a term of 3 years expiring December 31, 1956. (Reappointment.)

Philip K. Crowe, of Maryland, Ambassador Extraordinary and Plenipotentiary to Ceylon, to serve concurrently and without additional compensation as the representative of the United States of America to the 10th session of the Economic Commission for Asia and the Far East established by the Economic and

Social Council of the United Nations March 28, 1947.

##### DIPLOMATIC AND FOREIGN SERVICE

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Honduras.

##### DEPARTMENT OF THE ARMY

George Holmes Roderick, of Michigan, to be Assistant Secretary of the Army.

##### POST OFFICE DEPARTMENT

Eugene James Lyons, of New Jersey, to be an Assistant Postmaster General.

##### RECONSTRUCTION FINANCE CORPORATION

Laurence Ballard Robbins, of Illinois, to be Deputy Administrator of the Reconstruction Finance Corporation.

##### NATIONAL MEDIATION BOARD

Robert O. Boyd, of Oregon, to be a member, for the remainder of the term expiring February 1, 1954. Appointed during the last recess of the Senate.

Robert O. Boyd, of Oregon, to be a member, for the term expiring February 1, 1957. (Reappointment.)

##### NATIONAL SCIENCE FOUNDATION

Laurence McKinley Gould, of Minnesota, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1956. Appointed during the last recess of the Senate.

##### FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Edward Steidle, of Pennsylvania, to be a member, for the remainder of the term expiring July 15, 1955. Appointed during the last recess of the Senate.

##### IN THE ARMY APPOINTMENTS

Brig. Gen. Eugene Mead Caffey, O9329, Army of the United States, to be the Judge Advocate General of the Army, and as major general, Judge Advocate General's Corps, Regular Army, and major general (temporary), Army of the United States.

Maj. Gen. Kester Lovejoy Hastings, O12219, Army of the United States, to be the Quartermaster General, United States Army, and as major general in the Regular Army of the United States.

##### REAPPOINTMENT, APPOINTMENT, OR APPOINTMENT BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of John H. Swenson and 510 other officers, which were received by the Senate on January 25, 1954, and which were confirmed today, were received by the Senate on said date and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for January 25, 1954, under the caption "Nominations," beginning with the name of John H. Swenson, which appears on page 693, and ending with the name of Karl E. Wolf, which is shown on page 695.

##### IN THE REGULAR AIR FORCE

The nominations of John A. Peterson, Jr., and 264 other officers for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on January 18, 1954, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of John A. Peterson, Jr., which appears on page 354, and ending with the name of Marjory E. Winston, which is shown on page 355.

##### IN THE NAVY AND MARINE CORPS

Adm. Richard L. Conolly, United States Navy, retired, to be placed on the retired list with the rank of admiral.

Adm. Joseph J. Clark, United States Navy, retired, to be placed on the retired list with the rank of vice admiral.

Vice Adm. Alfred M. Pride, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander.

Vice Adm. Arthur C. Davis, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Director, Office of Foreign Military Affairs, Office of the Assistant Secretary of Defense for International Security Affairs.

Rear Adm. John R. Perry, Civil Engineer Corps, United States Navy, to be Chief of the

Bureau of Yards and Docks in the Department of the Navy for a term of 4 years.

Rear Adm. Frederick R. Furth, United States Navy, to be Chief of Naval Research in the Department of the Navy, with the rank of rear admiral, for a term of 3 years.

Lt. Gen. William O. Brice, United States Marine Corps, to have the grade, rank, pay, and allowances of a lieutenant general while serving as Assistant Commandant (Air) of the Marine Corps, Director of Aviation, Headquarters Marine Corps, and Assistant Chief of Naval Operations (Marine Aviation).

ADDITIONAL APPOINTMENTS IN THE NAVY AND  
IN THE MARINE CORPS

The nominations of Walter W. Wensinger and 4,844 other officers for appointment in the Navy or in the Marine Corps, which were confirmed today, were received by the Senate on January 25, 1954, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Walter W. Wensinger, which appears on page 696, and ending with the name of Billy L. Whitley, which is shown on page 706.



## CCC INDEBTEDNESS

*Conferees* on H. J. Res. 358, to discharge the indebtedness of the Commodity Credit Corporation, in executive session, agreed to file a conference report on the differ-

ences between the Senate- and House-passed versions of the bill. As agreed upon by the conferees, the bill would authorize cancellation of notes in the amount of \$550,151,848 for certain capital impairment.

## CONGRESSIONAL PROGRAM AHEAD

## Senate Chamber

(Week of February 8-13)

On Monday, Senate will call the calendar and consider conference report on H. J. Res. 358, to discharge indebtedness of the CCC. Following calendar call, in the event objection has been made to the following bills, they will be considered on motion: S. 2038, cash relief for Canal Zone employees, S. 1647, personnel strength of Armed Forces, S. 2772, disposal of postal savings certificates, S. Res. 194, printing of report on Korean atrocities, and S. 1184, relief for certain certifying officers from exceptions taken to payments pertaining to certain terminated war agencies. Also during week it is expected that Senate will consider further S. J. Res. 1, proposed constitutional amendment on treaties.

## Senate Committees

*Committee on Agriculture and Forestry:* February 9, executive, on S. J. Res. 121, Mexican farm labor, 10 a. m., 324 Senate Office Building.

*Committee on Appropriations:* February 8, Subcommittee on Army Civil Functions, on multiple-purpose projects, with Gen. C. H. Chorpene and Col. Wm. Whipple, 10:30 a. m., room F-39, Capitol.

*Committee on Armed Services:* February 9, Subcommittee on Real Estate and Military Construction, executive, on Army and Air Force classified projects, 9:30 a. m., 212 Senate Office Building.

*Committee on Banking and Currency:* February 8, special subcommittee on coffee prices, to hear witnesses from New York Coffee and Sugar Exchange, and representatives of coffee brokers, 10 a. m., 301 Senate Office Building.

*Committee on Labor and Public Welfare:* February 8, on Taft-Hartley amendments, 10 a. m., room P-63, Capitol.

*Committee on Post Office and Civil Service:* February 9, executive, on S. 361, adjustment of compensation under contracts for carrying mail on water routes, S. 2244, promotion by merit of postal service employees, S. 2728, collection of indebtedness of military and civilian personnel resulting from erroneous payments, and S. 2773, transportation of mails on motor-vehicle routes.

## House Chamber

(Week of February 8-13)

The House, on Monday or Tuesday, will probably act on conference reports on S. 2175, relative to retirement of employees in the legislative branch; and H. J. Res. 358, to discharge the indebtedness of the Commodity Credit Corporation, if all conference action is concluded.

## House Meetings

*Committee on Agriculture:* February 8, to resume on H. J. Res. 355, amending the act of 1951 relating to the supplying

of agricultural workers from the Republic of Mexico, 10 a. m., 1310 New House Office Building. AFL and CIO witnesses will testify.

*Committee on Armed Services:* February 8, Subcommittee on Defense to consider merits of using concrete paving for airstrips as against asphalt paving, 10 a. m., 304 New House Office Building.

*Committee on Education and Labor:* February 9, on H. R. 7434, to establish a National Advisory Committee on Education; H. R. 7446, to authorize cooperative research in education; and H. R. 7601, to provide for a White House Conference on Education. Will also discuss committee program regarding Taft-Hartley legislation.

*Committee on Foreign Affairs:* February 8, Subcommittee on Foreign Economic Policies to hear Samuel W. Anderson, Assistant Secretary of Commerce for International Affairs; and Thornton V. Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, 10:30 a. m., G-3, Capitol. The bill to be considered is H. J. Res. 350, to promote U. S. foreign policy by fostering international travel and the exchange of persons.

*Committee on Interior and Insular Affairs:* February 8 and 9, Subcommittee on Territories on H. R. 1570, to permit the Territory of Alaska to lease for 50 years (now 10 years) public lands reserved for educational purposes; H. R. 2683, to extend GSA authority to provide public works and to enter into agreements with applicants under the Alaska Public Works Act to June 30, 1959; H. R. 2848, to place the wharves and landings constructed or controlled by the Republic of Hawaii completely under the Territorial government; H. R. 2849, provides that the land transferred by the War Department to the Territory of Hawaii under act of 1936 may be used for public (now park) purposes; and H. R. 5831, authorizes the Hawaiian Homes Commission, with certain approval, to exchange title to certain lands under its jurisdiction for publicly owned lands of equal value, 10 a. m., 1324 New House Office Building.

*Committee on the Judiciary:* February 8, Subcommittee No. 1 on private immigration bills, executive, 10:15 a. m., 327 Old House Office Building.

February 10, Subcommittee No. 5 on private claims bills (executive).

*Committee on Public Works:* February 9-12, inclusive, Subcommittee on Rivers and Harbors on Maryland projects, 10 a. m., 1304 New House Office Building.

*Committee on Ways and Means:* February 8-12, inclusive, on general tax revision legislation, executive, 10 a. m., 1102 New House Office Building.

## Joint Committees

*Joint Committee on Atomic Energy:* February 9, executive, to discuss military matters affecting the atomic energy program, 7:30 p. m., room F-88, Capitol.

*Joint Committee on the Economic Report:* February 8-11, panel discussions on President's economic report (Monday, on investment outlook; Tuesday, consumption outlook; Wednesday, State and local government outlook, and Thursday, agricultural outlook), 10 a. m., 318 Senate Office Building.

*Conferees:* February 9, executive, on S. 2175, retirement of employees in the legislative branch.











# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 9, 1954

For actions of February 8, 1954

33rd-2nd, No. 23

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House received conference report on CCC indebtedness measure. Sen. Aiken and Rep. Hepe introduced wool bill. Rep. Johnson (Wis.) recommended 100% mandatory price supports for dairy products, and Rep. Javits opposed this and urged butter consumption. Senate discussed CCC borrowing authority bill. Senate discussed bill to rotate CCC stocks.

### SENATE

1. COMMODITY CREDIT CORPORATION; COFFEE PRICES. Discussed and passed over S. 2714, to increase CCC borrowing authority (pp. 1433-4); S. 1381, to provide for rotation of CCC stocks (p. 1444); and S. 1386, to extend the Commodity Exchange Act to coffee (p. 1438).
2. NOMINATIONS. Confirmed the nominations of Neil H. Jacoby and Walter W. Stewart to the Council of Economic Advisers (p. 1444).
3. TREATIES. Continued debate on S. J. Res. 1, the Bricker amendment to limit treaty powers (pp. 1432-3).

### HOUSE

4. COMMODITY CREDIT CORPORATION. Received the conference report on H. J. Res. 358, to discharge certain CCC indebtedness. The statement of House conferees is as follows: "Authorizes restoration of capital impairment of the Commodity Credit Corporation in the amount of \$550,151,848; instead of \$609,930,933 as proposed by the House and \$114,283,062 as proposed by the Senate. The amount agreed upon in this amendment, together with the other two items provided in the joint resolution, provides a total capital restoration of \$681,769,703, instead of \$741,548,788 as proposed by the House and \$245,900,917 as proposed by the Senate." (H. Rept. 1184; p. 1347.)
5. PRICE SUPPORTS. Rep. Johnson, Wis., recommended 100% mandatory price supports for dairy products (pp. 1349-50), and Rep. Javits opposed this and urged consumption of surplus butter (pp. 1352-3).



6. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 7554, to provide for pay of certain employees on days when Government agencies are closed by administrative order (H. Rept. 1185)(pp. 1361-2).
7. FOREIGN ECONOMIC POLICY. Received a minority report from the Commission on Foreign Economic Policy (H. Doc. 290, pt. 11)(p. 1361).
8. RESEARCH LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 4984, to remove the reversion clause in connection with a tract of USDA research land which had been transferred to Miles City, Mont. (H. Rept. 1187)(p. 1362).
9. REPORTS. The Government Operations Committee reported with amendment H. R. 6290, to discontinue various reports now required by law (H. Rept. 1193)(p. 1362).
10. EXTENSION WORK. The Government Operations Committee reported without amendment H. J. Res. 300, directing GSA to convey a tract of surplus land to the Texas Hill Country Development Foundation for use by 4-H Clubs, etc. (H. Rept. 1194)(p. 1362).

COMMITTEE HEARINGS RELEASED BY GPO

81st Cong.

11. PERSONNEL. Performance Rating Act of 1950, H. R. 7264, H. R. 7824./ H. Post Office and Civil Service Committee.
12. ELECTRIFICATION. Power Policy. H. Interior and Insular Affairs Committee.
13. COMMODITY CREDIT CORPORATION Borrowing Power, S. 2714. S. Agriculture and Forestry Committee.
14. FARM PROGRAM, Long Range, Serial R, Part 12. H. Agriculture Committee.
15. SURPLUS COMMODITIES, Exchange of. S. Armed Services Committee.

BILLS INTRODUCED

16. WOOL. S. 2911, by Sen. Aiken, and H. R. 7775, by Rep. Hope, "to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade; to encourage increased domestic production of wool for our national security"; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 1362, 1413-14).
17. FOOD DISTRIBUTION. H. R. 7767, by Rep. Bolling, to provide for distribution of surplus commodities through a food-allotment program; to Agriculture Committee (p. 1362).
18. PURCHASING. H. R. 7790, by Rep. Smith, Miss., to provide for placing certain contracts in low-income States; to Government Operations Committee (p. 1363).
19. PUBLIC WORKS. S. 1913, by Sen. Douglas, and H. R. 7766, by Rep. Bolling, to establish a public-works program; to Public Works Committee (pp. 1362, 1414).
20. FARM LABOR. H. R. 7768, by Rep. Budge, to exempt certain irrigation works from the Fair Labor Standards Act; to Education and Labor Committee (p. 1362).
21. FARM TRAINING. H. R. 7769, by Rep. Dolliver, to provide for apprentice or other training on the job in agricultural occupations; and H. R. 7770, by Rep. Dolliver, to provide institutional on-farm training for the veteran who performs part of his course as employee of another; to Veterans' Affairs Committee (p. 1362).



## DISCHARGE INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION

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FEBRUARY 8, 1954.—Ordered to be printed

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Mr. H. CARL ANDERSEN, from the committee of conference, submitted  
the following

### CONFERENCE REPORT

[To accompany H. J. Res. 353]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$550,151,848; and the Senate agree to the same.

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House.*

STYLES BRIDGES,  
MILTON R. YOUNG,  
HOMER FERGUSON,  
GEORGE D. AIKEN,  
RICHARD B. RUSSELL,  
CARL HAYDEN,  
ALLEN J. ELLENDER,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

### DEPARTMENT OF AGRICULTURE

#### COMMODITY CREDIT CORPORATION

Amendment No. 1: Authorizes restoration of capital impairment of the Commodity Credit Corporation in the amount of \$550,151,848 instead of \$609,930,933 as proposed by the House and \$114,283,062 as proposed by the Senate.

The amount agreed upon in this amendment, together with the other two items provided in the joint resolution, provides a total capital restoration of \$681,769,703, instead of \$741,548,788 as proposed by the House and \$245,900,917 as proposed by the Senate.

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House.*





# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 83<sup>d</sup> CONGRESS, SECOND SESSION

Vol. 100

WASHINGTON, MONDAY, FEBRUARY 8, 1954

No. 23

## House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of majesty and mercy, grant that nothing during this day may undermine or eclipse our faith in Thy greatness and goodness, Thy presence and power.

May our sense of Thy divine sovereignty and sympathy transcend and supplant those feelings of anxiety and doubt which so often consume our strength and mar our peace.

Deliver us from all thought and tendencies which are alien to the mind and spirit of our blessed Lord as we seek to solve the problems of international relationships.

Show us how we may strengthen the ties of brotherhood and bring the members of the human family into a closer fellowship.

Hear us in Christ's name. Amen.

### THE JOURNAL

The Journal of the proceedings of Thursday, February 4, 1954, was read and approved.

### COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. H. CARL ANDERSEN submitted the following conference report and statement on the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation:

CONFERENCE REPORT (H. REPT. No. 1184)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$550,151,848"; and the Senate agree to the same.

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House.*

STYLES BRIDGES,  
MILTON R. YOUNG,  
HOMER FERGUSON,  
GEORGE D. AIKEN,  
RICHARD B. RUSSELL,  
CARL HAYDEN,  
ALLEN J. ELLENDER,

*Managers on the Part of the Senate.*

### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

### DEPARTMENT OF AGRICULTURE

#### Commodity Credit Corporation

Amendment No. 1: Authorizes restoration of capital impairment of the Commodity Credit Corporation in the amount of \$550,151,848, instead of \$609,930,933 as proposed by the House and \$114,283,062 as proposed by the Senate.

The amount agreed upon in this amendment, together with the other two items provided in the joint resolution, provides a total capital restoration of \$681,769,703, instead of \$741,548,788 as proposed by the House and \$245,900,917 as proposed by the Senate.

H. CARL ANDERSEN,  
WALT HORAN,  
OAKLEY HUNTER,  
MELVIN R. LAIRD,  
JOHN TABER,  
JAMIE L. WHITTEN,  
CLARENCE CANNON,  
FRED MARSHALL,

*Managers on the Part of the House.*

### PERSONAL ANNOUNCEMENT

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I regret that my absence on Thursday last to attend a funeral prevented my voting on the bill authorizing help to control the level of Lake Michigan.

### CORRECTION OF ROLL CALL

Mr. H. CARL ANDERSEN. Mr. Speaker, on roll call No. 9 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

### COMMODITY CREDIT CORPORATION

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, as I understand it the conference report that has just been filed has to do with the replenishing of the depleted capital of the Commodity Credit Corporation. In this instance the papers have been held on the other side. My information is that the Senate expects to act on the conference report first thing tomorrow, in which event we would expect to act on it immediately after that time.

### LEGISLATION TO ESTABLISH VETERANS' DAY AS A NATIONAL HOLIDAY

(Mr. REES of Kansas asked and was given permission to address the House for 1 minute.)

Mr. REES of Kansas. Mr. Speaker, I have this day introduced a bill in the House of Representatives to change the name of Armistice Day to Veterans' Day.

Armistice Day was declared a legal public holiday by the Congress in 1938, to be observed on the 11th day of November of each year. The date, November 11, was, of course, chosen to commemorate the close of World War I. The holiday was dedicated to the cause of world



peace, and to the veterans of that First World War.

Since 1938, the United States has been involved in two great military efforts, and each has added millions of veterans.

This legislation does not establish a new legal holiday. Rather, it expands an existing holiday in order that a grateful Nation may pay proper homage to all its veterans who have contributed so much to the cause of world peace and the preservation of our way of life. It is altogether fitting that the United States should honor its veterans on a day when they themselves pause to pay tribute to their comrades who gave their lives on foreign soil.

It is my hope that the observance of Veterans' Day will become universal in the United States to the end that the great sacrifices of the American veteran shall not be forgotten.

#### PERSONAL ANNOUNCEMENT

(Mr. WAINWRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WAINWRIGHT. Mr. Speaker, I want to explain to the House my absence on Thursday, February 4, and to explain that my vote on the authorization to help control the level of Lake Michigan, that is, on rollcall votes No. 10 and No. 11 would have been "yes" in both cases. I was absent in New York testifying before Governor Dewey's special legislative committee on integrity and ethical standards in government at the Governor's request.

#### COMMITTEE ON UN-AMERICAN ACTIVITIES

(Mr. VELDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VELDE. Mr. Speaker, the 1953 annual report of the House Committee on Un-American Activities has been printed and released to the public. As a result of the report of the most active year in the committee's history, demands from all corners of the United States are coming in for additional copies of the report. It is the finest and most objective report that has ever been issued.

This morning I have thrown in the hopper a request for the printing of additional copies of this report as a House document. I am certain that the additional copies, which I understand will be approximately 4,000, will fail to meet the requests already pouring in; however, the committee will distribute them as long as they last to the persons who request them.

The committee, however, following its usual policy, will fill requests from Members of Congress. I expect in the near future to introduce a resolution asking for the printing of this report in such numbers as will meet the requests of the general public.

#### WHAT'S IN A NAME?

(Mr. MATTHEWS asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. MATTHEWS. Mr. Speaker, I have today written to Mr. Wilson, Secretary of the Department of Defense, asking if it is not possible to change the name of the officials in the Navy who are called petty officers. I assume this word "petty" has been bequeathed to our Navy because of British tradition. I am certainly not an Anglophobe, but I think we can find great improvement on this name.

When we read in the dictionary we note that the word "petty" is defined as "Small in nature, trifling, mean or ungenerous, inferior," and so forth. I am sure these names have no part in the magnificent work that the petty officers in our Navy perform. The title of petty officer roughly corresponds in rank to an Army noncommissioned officer, and I am especially thinking in terms of the sergeant in the Army. All of us who have had the high honor of serving in the Army realize that the sergeant is the backbone of the Army. His title is one that is borne proudly and he has to make no apology for the name. I have talked with petty officers in the Navy and they do not like the name "petty." Why not change the name to enlisted officer and correct this problem that may seem small, and yet one that, if solved, would improve the already high morale in our great Navy.

I am delighted to speak this word for the petty officers in the Navy and for their wives and loved ones. Surely we can think of a better word than "petty" to give to the backbone of the Navy.

#### NEW HAVEN RAILROAD

(Mr. NICHOLSON asked and was given permission to extend his remarks at this point.)

Mr. NICHOLSON. Mr. Speaker, I am calling today for immediate congressional action to prevent seizure of the New Haven Railroad by a group of profit-hungry individuals. I shall seek legislation, if necessary, to keep control of a railroad which is a New England public utility and a strategic element in our national defense from being run and plundered by citizens of a foreign country.

I intend to seek bipartisan support of the entire New England congressional delegation for a prompt investigation by the House Committee on Interstate and Foreign Commerce. The Canadian interests, working through a Mr. Patrick B. McGinnis, a New York financial venturer whose mismanagement of the Norfolk & Southern Railroad is already the subject of ICC inquiries, intends to seize control of the New Haven Railroad at the annual meeting of the stockholders on April 14, 1954.

It will be a disastrous day in New England when the New Haven Railroad is operated by absentee investors in Hamilton, Ontario. The only possible interest these men and their financial agent have in New England is to see how much money they can take out of our State and the public be damned. The present management of the New Haven Railroad,

under Mr. Frederick C. Dumaine, Jr., has been repeatedly hailed in the press of New England and New York for constantly improving equipment and service. Massachusetts in particular remembers only too well the situation which existed just a few years ago when the New Haven Railroad planned to abandon some 88 stations, close down its Old Colony Line, and leave thousands of commuters with no convenient means of transportation. There were predictions at the time that grass would grow on the Old Colony tracks. The present management, in a move which astounded even the most optimistic New England boosters, not only saved the Old Colony but turned it into a healthy, well-equipped line through the installation of new rail, new roadbeds, rebuilt, and re-furnished installation of all sorts, and a complete new single system offering a better service than it ever had in its history. Besides reducing overhead costs and opening new and enormous sources of revenue such as the great wholesale market terminal in Boston and warehouse in New York, the New Haven's management has been building the recent bankrupt company into one of the strongest and healthiest businesses in northeastern United States.

But most important, the present management has recognized that the sound long-range interests of New Haven stockholders are inseparable from those of the general public. It has resulted in an inspiring demonstration of public responsibility and service.

Now, Mr. McGinnis, who has been hostile to the present management ever since it refused his demand that he be hired as some kind of a consultant at an enormous salary, is attempting to spearhead a drive by a few big stockholders who are hungry for a fast dollar.

I have absolutely no interest in the New Haven Railroad except as a Congressman representing my district in Massachusetts and as a resident of New England and as an American keenly interested in the defense of this Nation. In these capacities, I am deeply disturbed and even alarmed by the plans made public by Mr. McGinnis in the press during the last few days. If a small group of alien profiteers is allowed to run the New Haven Railroad, I have not the slightest doubt they will do exactly what Mr. McGinnis said they intend to do—make profits. Since this group obviously is not satisfied with the present sound and reasonable improvement of their investment, it must follow that they desire a much faster rate, and this is possible only at the expense of equipment, service, and the public.

This, understandably, does not disturb anyone in Hamilton, Ontario. However, the people of New England cannot and will not allow their principle transportation utility to degenerate, once again, to the status of a milk cow serving a few men with insatiable appetites.

The Canadian profiteers must be made to realize that the New Haven Railroad belongs, first and foremost, to the people of New England and they will not stand by while this utility is picked









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued February 10, 1954  
For actions of February 9, 1954  
83rd-2nd, No. 24

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HIGHLIGHTS: Both Houses completed congressional action on CCC-indebtedness bill. Senate passed bills to: Extend Commodity Exchange Act to wool, strengthen enforcement of Commodity Exchange Act, and authorize rotation of CCC stocks. Sen. Humphrey defended present price supports. House committee voted to liberalize income tax for soil conservation.

## SENATE

1. COMMODITY CREDIT CORPORATION. Both Houses agreed to the conference report on H. J. Res. 358, to discharge certain CCC indebtedness. The Senate vote was 49 to 10. This measure will now be sent to the President. (pp. 1511-2, 1477-98)  
: Passed as reported S. 1381, which authorizes CCC to sell stocks at less than the minimum price requirement (support price plus 5%) where disposition is desirable in the interest of effective and efficient conduct of the Corporation's operations because of the small quantities involved or because of age, location, or questionable storability, but requires that such sales be offset by such purchases as the Corporation determines necessary to prevent such sales from substantially depressing market prices or impairing any price-support program (pp. 1473-4).
2. COMMODITY EXCHANGES. Passed without amendment S. 2313, to extend the Commodity Exchange Act to wool (p. 1472).  
Passed with amendments S. 1990, to amend the Commodity Exchange Act so as to authorize issuance of subpoenas incident to investigations conducted under the Act and to authorize USDA to institute injunction proceedings to enjoin violations (pp. 1472-3).  
Sen. Knowland said it is expected that S. 1386, to extend the Commodity Exchange Act to coffee, will be taken up today (p. 1498).
3. PRICE SUPPORTS. Sen. Humphrey defended the present price-support program (pp. 1500-1) and inserted various statements on this subject (pp. 1450, 1452-3).
4. PERSONNEL. Sen. Humphrey inserted various recommendations for liberalized legislation for Government employees (pp. 1450-2).



5. NOMINATION of Simon E. Sobeloff, to be Solicitor General, was confirmed (p.1501).
6. COMMITTEE ASSIGNMENTS. Sens. Bridges and McCarran were appointed to the Joint Committee on Reduction of Nonessential Federal Expenditures (p. 1449).
7. FARM PROGRAM. Sen. Aiken inserted a Vt. Farm Bureau statement on various phases of agricultural policy (pp. 1459-60).
8. INVESTIGATION. A Legislative Reference Service study, "Congressional Power of Investigation," was ordered printed as S. Doc. 99 (p. 1458).

#### HOUSE

9. SURPLUS COMMODITIES; PRICE SUPPORTS. Rep. Javits endorsed and inserted a National Milk Producers Federation statement favoring sale of CCC butter at lower prices and a food allotment plan for dairy products (p. 1506).  
Rep. Miller, Kans., recommended high price supports, criticized flexible supports, and said, "...where there are price supports there must be controls of production" (pp. 1507-9).  
Rep. Hoffman questioned price supports and production controls (pp. 1510-1).
10. REPORT. The Government Operations Committee submitted an intermediate report on "Government in business" (H. Rept. 1197)(p. 1514).
11. SOIL CONSERVATION; TAXATION. The Ways and Means Committee adopted a provision which permits farmers to expense, rather than to capitalize, expenditures for soil and water conservation, including expenditures for the prevention of land erosion (p. D130).
12. ELECTRIFICATION; PURCHASING. Rep. Shelley defended the Buy American Act and criticized proposed purchase of power equipment for The Dalles, Oreg., power project from foreign companies (pp. 1509-10).
13. TEXTILES; FOREIGN TRADE. Received a Mass. General Court memorial against granting concessions on textile imports (p. 1515).
14. ADJOURNED until Fri., Feb. 12 (p. 1514). Legislative Program, as stated by Majority Leader Halleck: Mon., no session; Tues., Private and Consent Calendars public-for-private timberlands exchange bill (pp. 1505-6).

#### BILLS INTRODUCED

15. SMALL BUSINESS. H.R. 7811, by Rep. Chatham, to amend the Small Business Act of 1953; to Banking and Currency Committee (p. 1514).
16. RECLAMATION. H.R. 7813, by Rep. D'Ewart, authorizing the Sec. of the Interior to adjust or cancel certain charges on the Milk River project; to Interior and Insular Affairs Committee (p. 1514).
17. FLOOD CONTROL. H.R. 7815, by Rep. Ellsworth and S. 2920, by Sen. Cordon, to provide for the construction, operation and maintenance of the Cougar Dam and Reservoir on the South Fork McKenzie River, Oreg., with participation for power by the city of Eugene, Oreg.; to Public Works Committees (pp. 1454, 1514). Remarks of authors pp. 1454-56, 1502-03).



Mr. HOFFMAN of Michigan. If you do that, then you are getting into the danger of having the Government control all of your activities. That is the only point I was trying to make. We must make our choice as between the dollars and our freedom.

That is about the way the farmers in my district have indicated is their thinking. They say, "We admit that the subsidies are piling up surpluses which we cannot handle, and all we are asking—"

I have sat in on some of those meetings. I recall one that lasted for 4 hours and, believe it or not, I did not ask a question or make a remark. But the substance of their conclusions was, "We do not want subsidies as an overall policy, but do not take them away from us too fast."

#### CORRECTION OF THE RECORD

Mr. COUDERT. Mr. Speaker, I ask unanimous consent to have the CONGRESSIONAL RECORD changed. On January 27, 1954, page 848, the 11th line from the end of the third column, I was quoted as referring to the "President's" program, where I had in fact said the "present" program.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

#### SPECIAL ORDERS GRANTED

Mr. YOUNGER asked and was granted permission to address the House for 5 minutes on Friday, at the conclusion of the legislative business of the day and any special orders heretofore entered.

Mr. BAILEY asked and was granted permission to address the House for 1 hour on Tuesday next, after the legislative business of the day and any special orders heretofore entered.

#### RECESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the House stand in recess until 1:15 p. m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Accordingly (at 1 o'clock p. m.) the House stood in recess until 1:15 p. m.

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 15 minutes p. m.

#### COMMODITY CREDIT CORPORATION

Mr. H. CARL ANDERSEN. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 358) to discharge indebtedness of the Commodity Credit Corporation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of February 8, 1954.)

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, House Joint Resolution 358 provides for the restoration of capital impairment of the Commodity Credit Corporation, due to, first, losses on price-support operations; second, cost of the International Wheat Agreement; and, third, cost of the foot-and-mouth disease eradication program in Mexico.

As the bill passed the House late in January, it provided \$741,548,788 in note cancellation for this purpose, as follows:

CCC capital impairment.....	\$550,151,848
International Wheat Agreement.....	129,553,795
Eradication of foot-and-mouth disease .....	2,064,060
Total.....	741,548,788

As it passed the Senate, the resolution provided a total of \$245,900,917, as follows:

CCC capital impairment.....	\$114,283,062
International Wheat Agreement.....	129,553,795
Eradication of foot-and-mouth disease .....	2,064,060
Total .....	245,900,917

The conferees have agreed upon a total of \$681,769,703, consisting of the following:

CCC capital impairment.....	\$550,151,848
International Wheat Agreement.....	129,553,795
Eradication of foot-and-mouth disease .....	2,064,060
Total.....	681,769,703

The only point of difference between the two Houses had to do with the figure for losses under the price-support program. The House conferees took the position that the House action was based on the latest appraisal made by the Treasury Department under the law and should be adopted, particularly in view of the present tight fiscal position of CCC. The Senate action was based on the fact that the audit report carried some estimated losses in inventory values in addition to actual losses incurred from sales and disposals accomplished.

The matter was finally agreed to as a result of some compromise on the part of the conferees on both sides. It is estimated that the amount agreed to will carry CCC for the next 7 or 8 weeks—at which time it is hoped that the bill providing for an increase in the limit of borrowing authority from \$6.75 billion to \$8.5 billion will have passed the Congress.

Mr. Speaker, I wish to call the attention of the House to the fact that last week this body adopted the House version by a vote of 12 to 1. In conference the House receded to the extent of approximately \$60 million, and it is my opinion that this report should be adopted without much discussion, be-

cause it certainly meets the objections in part of those who were opposed to it.

Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTEN] such time as he may require.

Mr. WHITTEN. Mr. Speaker, as has been pointed out by the chairman of our subcommittee, this conference report extended the lending authority of the Commodity Credit Corporation. As we pointed out last week, the borrowing authority of the Corporation is practically exhausted and the law makes it compulsory to carry on certain operations through the Corporation. On the other side of the Capitol, the question was raised as to just what the actual losses may be. We feel this is a separate matter. However, in view of the feelings of some Members of the other body to reduce our original resolution by the amount of two items. These two items amount to some \$60 million or more. We believe the figure here will enable the Corporation to operate until legislation can be passed through the Congress to enlarge the size of the Corporation's operations. I trust in the present emergency, there will be no opposition to the conference report. The conference report itself is less than that which the House passed by an overwhelming majority a short time ago.

Mr. JAVITS. Mr. Speaker, this question was fully debated when the issue was in the House on the resolution and a rollcall vote was taken on which I voted "nay." Reference is made to the debate in the other body on the same resolution at pages 1015 to 1022 in the CONGRESSIONAL RECORD of February 1, 1954. The bill now comes back to us cut \$65 million as a result of action in the other body and in conference.

The bill represents a cancellation of losses on the high fixed farm price supports to the extent of \$550 million as against \$61 million of actually realized losses in the fiscal year 1953 in such operations. This should dispose once and for all of the allegations of small actual loss suffered in the program as the \$550 million represents a realistic appraisal of the diminution in value of the over \$4 billion of farm products held by the Government as of June 30, 1953. These losses are accelerating rapidly and all that this bill has done is to give the Commodity Credit Corporation another over half-billion dollars to stave off the day when it must ask Congress for more credit authority.

The bill to raise this credit authority to \$8,500,000,000, it is said, will come before us shortly. It is vital that all who speak for consumers—and this applies especially to those of us who represent big city areas—should oppose this constant drain of money and resources attributable to a high-fixed-farm-price-parity program inimical alike to the interests of the consumer, the farmer and the national economy.

No one wants to embarrass our Government. Hence, the record once having been made on the original rollcall no fight is being made on the conference report. But the expansion of credit which the Commodity Credit Corporation is authorized to make available to



support this program is a matter of policy and it is there that the interests of the consumer and the farmers who see their own best interests should be decisively manifested.

Mr. BARRETT. Mr. Speaker, we are being asked by the present administration to maintain our high spirits and an attitude of confidence during the so-called transition from a wartime to peacetime economy. Incidentally, this transition is not to be confused with the words "recession" or "depression" which have suddenly become unethical or almost un-American in reference to the present widespread decline in business generally. The administration's leaders tell us that we are going through "an orderly and healthy readjustment." These phrases are very reminiscent of expressions made during the Hoover administration. But the prosperity "around the corner" which the country was promised at that time also was not reached until the Democratic administration came along and helped lead the way to it.

Mr. Speaker, I do not believe the 3 million people who are unemployed today are finding it easy to maintain their high spirits, nor do they consider their present situation a very healthy one. When almost a million workers lose their jobs in a period of 3 months because of a falling-off in demand for goods, unemployment compensation may keep them from going hungry, but they and their families have nevertheless taken a jolting economic blow which sends a shock all through the rest of the economy. And with this going on throughout the country, I personally find it difficult to maintain an attitude of confidence.

Nor do I find this readjustment as orderly as the administration claims it to be. Of a total employment labor force of 1,717,000 in the Philadelphia labor market area, 5 percent—or approximately 86,000 persons—are now unemployed. A year ago the unemployment was at 3 percent. At this rate, Philadelphia will soon be in the distressed-area category. It is not necessary to go into the fine points of what types of jobs are included in these figures or to give excuses as to why these particular trades are on the unemployed list. Each person included in this 5-percent figure is an individual and is entitled to the opportunity to earn a living as provided in the Full Employment Act of 1946. According to this legislation—passed by the Democratic administration—the Government is responsible for promoting maximum employment. It is required to mobilize all its resources to promote conditions which afford useful employment opportunities for those able, willing, and seeking to work.

Our Government is not fulfilling its obligation under the Employment Act of 1946 when it eliminates Federal projects without properly arranging for transition to private industry. It is not offering the opportunity to maintain the prosperity of the Nation when it retains the taxes which were originally imposed for the purpose of building up the defense of our country. Expenditures for defense have been drastically curtailed, but taxes on so-called luxury items—

electrical appliances, automobiles, gasoline, travel, entertainment, telephones, and so forth—have not been reduced. It seems that the only thing going down these days—besides excess-profits tax for business—is the employment rate.

I think it is time that the administration wake up to the fact that we are rapidly sliding into a recession and do something about it. Continued high corporate profits seem to have blinded the administration to the fact that pay envelopes are shrinking, job opportunities are narrowing, unemployment is rising, and small business is getting scared.

I am sure that even those people in my congressional district who were never employed at one of the several large Government installations in South Philadelphia will be interested in the large number of layoffs taking place. The United States Army Quartermaster Depot in Philadelphia has 3,200 civilian employees now as compared to 5,750 in 1952; the Marine Corps Depot, 3,460 now as compared to 4,503 in 1952; the Philadelphia Naval Shipyard has been reduced from 14,868 employees in August 1952 to 12,000. In Government installations in South Philadelphia alone, approximately 5,000 individuals have lost their jobs in the past year. Most of these are persons of special skills whose know-how was of tremendous value in the recent emergencies of our country. On the basis of an average American family of 5 persons, this means that 30,000 persons are suffering the effects of what we are not supposed to refer to as a recession or depression, but merely a transition from Government to private enterprise. These former Federal employees who lost their jobs will no longer be able to buy the products or pay for the services of those businesses fortunate enough to still be intact.

In the past 2 months the Baltimore & Ohio Railroad reduced its 55,000-person work force by 11,000—20 percent. During the same period, the Pennsylvania Railroad issued layoff notices to approximately 75,000 of its 135,000 workers. The Reading Railroad has laid off 1,820 since the first of the year. On January 6 the Jersey Central put 400 workers on indefinite furlough, and the Lehigh Valley has also cut its work force drastically. But according to the big business administrators, this is not recession either. In the words of the workingman who can no longer look forward to a weekly paycheck, this is plain unemployment and no dramatic phrases or technical excuses can hide that fact.

The 3 million people who are unemployed today are having their depression today, and as of now there is no brighter hope for tomorrow. Nor will the situation change until the workingman is given a higher rate of pay so that he can purchase the essentials of living, the manufacture of which will provide employment for other individuals.

This cannot be accomplished unless we have wage increases sufficient to spur consumer spending to a pace equal to production capacity and to provide an increasing standard of living—even if it is at a cost of reducing profits from fat

levels to merely fair levels. What will become of the millions of dollars each big business concern will save as a result of the recent elimination of the excess profits tax? Has big business offered any additional benefits to the workingman who actually earned those excess profits for him? Shall we wait patiently for them to volunteer to share these millions with their employees? It does not take a dynamic program to realize that we cannot maintain the past economy of the country by giving more to big business and continuing to take away from the workingman.

Mr. H. CARL ANDERSEN. Mr. Speaker, if there is no desire on the part of anyone to further discuss the conference report, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

#### COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight to file its Sixth Intermediate Report on Military Surplus Property—Part I, and its Seventh Intermediate Report on Government in Business, General—Part I.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND AUTHORIZING SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Friday next the clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### WHOSE OX IS BEING GORED?

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. NEAL] is recognized for 10 minutes.

Mr. NEAL. Mr. Speaker, my colleague, the distinguished gentleman from Indiana, took occasion yesterday to indict the Republican administration for attempting to remove the postmaster at Gary, Ind.

His anguished cry that such an effort is an uncalled for and unjustified conspiracy to destroy the Federal civil-service system was apparently timed to engender resentment of Government em-



ama Canal Company are not expressly covered under either the 1937 act or S. 2038. The Panama Canal Company, however, has extended the system established by the 1937 act to its own employees and also, we understand, will extend the increases provided for in S. 2038.

According to reports at hand, the pending bill would not result in expense to the United States Treasury. The relief costs under S. 2038 would be financed in the same manner as those under the 1937 act. The costs payable by the Canal Zone Government, while initially financed from appropriations, would be repaid annually to the Treasury out of the operating revenues of the Canal Zone Government and the Panama Canal Company. The costs payable by the Panama Canal Company to its employees would be financed from corporate revenues and not from appropriations.

S. 2038 as introduced was requested by the Secretary of the Army. The Bureau of the Budget interposed no objection to its enactment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KNOWLAND subsequently said: Mr. President, my attention has been called by the Parliamentarian to the situation apropos Senate bill 2038, Calendar No. 617, to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone Government, which the Senate passed a few minutes ago. The Parliamentarian has pointed out that there is on the calendar a House bill, Calendar No. 856, House bill 5861, to the same effect.

Therefore, I ask unanimous consent that the action of the Senate in passing Senate bill 2038 be reconsidered; that in lieu of considering that Senate bill, the Senate proceed to the consideration of House bill 5861, to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone government; that House bill 5861 be ordered to a third reading, read the third time, and passed; and that Senate bill 2038 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### DISCHARGE OF INDEBTEDNESS OF THE COMMODITY CREDIT CORPORATION — CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, there is at the desk the conference report on House Joint Resolution 358, which is privileged, and I ask that the Senate now proceed to its consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 358) to discharge

indebtedness of the Commodity Credit Corporation.

(For conference report, see p. 1347 of the House proceedings of Monday, February 8, 1954.)

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Without objection, it is so ordered.

The question is on agreeing to the report.

Mr. YOUNG. Mr. President, approximately 2 weeks ago the House passed House Joint Resolution 358, which would restore anticipated losses of the Commodity Credit Corporation in the amount of \$741,548,788. In acting on that measure, the Senate voted to reduce the amount to \$245,900,917. The Senate voted to allow the Commodity Credit Corporation the actual impairment of the year before, namely, for actual losses, \$114,283,062; and also for \$129,553,795, representing the loss incident to the International Wheat Agreement; and for \$2,064,060, the cost of the foot-and-mouth-disease operation, largely in Mexico. As the joint resolution was passed by the Senate, it provided for a total of \$245,900,917.

When the Senate conferees met with the House conferees, the latter were adamant in their position, and insisted that the full amount be approved. They claimed that was strictly according to law, and that the entire amount was justified.

Finally the Senate conferees compromised with the House conferees, and allowed the amount voted by the House of Representatives, except the sum representing losses in connection with the dried milk program and the tobacco program. In short, the conferees agreed on an amount of \$681,769,703.

Mr. President, the House has already acted on the conference report, I understand. At this time the question before the Senate is either to approve or to disapprove the conference report, which was approved unanimously by the House of Representatives, in the amount of \$681,769,703.

Mr. WILLIAMS. Mr. President, will the Senator from North Dakota yield?

The PRESIDING OFFICER (Mr. PURTELL in the chair). Does the Senator from North Dakota yield to the Senator from Delaware?

Mr. YOUNG. I am glad to yield.

Mr. WILLIAMS. Do I correctly understand that the conferees struck out the two items pertaining to tobacco and milk?

Mr. YOUNG. That is correct.

Mr. WILLIAMS. Upon what basis did they strike out those items, and leave the others in the conference report?

Mr. YOUNG. Those two items seemed to provoke greater dispute on the floor of the Senate than any of the others; and

it was thought best to postpone consideration of those items to a future date, which would allow time for further hearings by the Senate subcommittee and the House subcommittee on agricultural appropriations, and would permit those items to be handled in the next agricultural appropriation bill.

Mr. WILLIAMS. Mr. President, will the Senator from North Dakota yield further to me?

Mr. YOUNG. I am very glad to yield.

Mr. WILLIAMS. I do not think the objection to those two items was any greater than was the objection to any of the other items, except I know that on the day the bill was considered by the Senate the committee apparently was willing to accept the amendment which then was pending, and therefore debate ended, and the differences on the other items did not come up. However, in connection with this measure there are many items which I do not think have been adequately explained. Perhaps the Senator from North Dakota can give us the answers.

For instance, I notice that \$73,650 is provided to meet the loss on white potatoes. Under the law, we have not had price supports on white potatoes since 1951. I wonder whether the Senator from North Dakota can explain that item.

Mr. YOUNG. As I understand, the amount stated was the actual, realized loss in the liquidation of the potato price-support program.

Mr. WILLIAMS. But that item is for the fiscal year 1953, whereas we have not supported white potatoes since 1951.

Having had a little experience with white potatoes, I know it would have been physically impossible to have had any white potatoes carried over from 1951 to the fiscal year 1953. The books of the Commodity Credit Corporation itself showed it did not have any white potato inventory at the beginning of the year. Under the law, the Commodity Credit Corporation was not allowed to buy any white potatoes during the year. So how could it have a price-support loss on this commodity in the fiscal year 1953?

Mr. YOUNG. As I understand, the loss was under the price-support program. It could have been on white-potato flour or on accounts which had not been settled as of that date.

Mr. WILLIAMS. But, if the Senator will yield further, I point out that there were no such items in the Commodity Credit Corporation's inventory at the beginning of the year; and under the law the Corporation could not have bought any white potatoes during the year.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield to me?

Mr. YOUNG. I am glad to yield.

Mr. AIKEN. Is it not likely that this is an item which should have been charged off in a previous year?

Mr. YOUNG. It is very likely.

Mr. WILLIAMS. That could well be; but in this case we are writing off this particular item, and no one knows what it is for. I do not think we have a right to say, "It could be for this" or "It could be for that." I agree that it could be for many things, but I think the Con-



gress and the country are entitled to know what these items actually represent.

Mr. YOUNG. Of course the accounts could not be completely closed in 1951. For example, in the case of the Pakistan wheat program, we have been shipping wheat to Pakistan for nearly a year. It may be 2 or 3 years before we receive all the accounts for freight, and so forth, to the extent that the Commodity Credit Corporation can be completely reimbursed for the expenses of the program.

Mr. WILLIAMS. Mr. President, will the Senator from North Dakota yield further to me at this point?

Mr. YOUNG. I am very happy to yield to the Senator from Delaware.

Mr. WILLIAMS. I should like to ask about another item, which perhaps the Senator from North Dakota can explain. I refer now to the item relating to cottonseed products. In the report which accompanied the request, in schedule 8, as it appears in the books of the Commodity Credit Corporation, on page 24, I notice that the Corporation says that in the fiscal year 1951 it made a profit of \$5,500,000 on this program. For 1952 the Corporation reports a profit of \$2,686,612 on the same program. For the fiscal year 1953, the year with which we are now dealing, the Corporation tells the American people it made a profit of \$7,701,799 on the program. The Corporation also says in the same report that the overall, lifetime result in the case of this particular program is that it has made a profit of \$15,297,314. In other words, the Corporation is claiming a profit throughout their operations in connection with cottonseed products.

On the other hand, in the same report I notice that the Congress is being asked to reimburse the Corporation for a loss of \$38,479,026, on this same commodity. According to the books of the Commodity Credit Corporation, published on the same day, the Corporation made an overall profit. Now who are we to believe? Who is right? I wonder how that is explained.

Mr. YOUNG. That is understandable, I think, when the situation is analyzed. Until last year there had been the profit which the Commodity Credit Corporation reported. However, the expected loss is estimated by the Treasury Department at approximately \$38 million.

I will say to the Senator from Delaware that I anticipate some rather sizeable losses in the operation of almost all the price support programs during the next year. In fact, the Commodity Credit Corporation was never organized in the first place to make a profit. It would be fine if it could. However, the purpose is to maintain some stability for agricultural prices.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. I do not have before me the chart to which the Senator from Delaware and the Senator from North Dakota have referred. Is the loss in connection with cottonseed used for drought relief listed separately, or is this \$38 million in addition to that?

Mr. YOUNG. I do not have the exact figure, but I do not believe that the impairment as a result of feed being furnished to livestock producers shows up in this report. Nothing of that nature shows up in this report. That is true also of the losses on the Pakistan wheat, for example. Those losses will show up next year.

Mr. AIKEN. As I understand, practically all the cottonseed meal on hand last year was disposed of, a good share of it in the late summer, under the drought relief program. It had to be disposed of before fall, because it does not keep as well as do some other items.

Mr. WILLIAMS. That loss will show up in connection with another appropriation bill, and is not included in the figures we have before us.

Mr. AIKEN. That is the answer to my question. I asked if, by any chance, the low price charged for cottonseed showed up in this report. We all know that last spring the Commodity Credit Corporation had hundreds of thousands of tons of cottonseed meal on hand, which it was having trouble getting rid of. It cut the price down to something like \$55 a ton in order to move it.

Mr. WILLIAMS. I fully agree that the cost of these programs will be tremendous. That is the point I am trying to bring out. I wish to get that point across to the people, and make those who are sponsoring the programs admit the cost. That objective is not achieved however under the proposed plan to cancel these notes in advance.

Mr. YOUNG. Mr. President, I have been talking about the profits which the Commodity Credit Corporation has made on certain price support operations in connection with basic commodities. However, I admit that there will be some sizeable losses. But I think the program is well worth while. If we could stabilize the agricultural economy of the nation at a cost of \$1 billion a year, in my opinion it would be well worth the price.

Mr. WILLIAMS. However, the point is that we should bring the price tag out into the open. Every transaction should be open and aboveboard, which has not been the case in years past. We are not doing it today. In the report which is before us we are telling the American people—

Mr. YOUNG. I will say to the Senator from Delaware that the Commodity Credit Corporation has been following the law since 1938. The Department officials have not done anything under cover. They are doing exactly what they are supposed to do under the law. If the Senator from Delaware wishes to change the law, that is another matter.

Mr. WILLIAMS. I agree with the Senator from North Dakota that they are doing today exactly what they have been doing since 1938. I have been protesting this procedure for the last 6 years since I have been in the Senate. I thought that as a result of the last election we were going to change the situation. However, in connection with this program, 7 of the 9 directors are men who held those positions during the pre-

ceding administration. In view of this fact, it is understandable why the necessary changes are not being made.

Mr. DIRKSEN. Mr. President, will the Senator from North Dakota yield to me if the Senator from Delaware has concluded?

Mr. YOUNG. I yield.

Mr. DIRKSEN. I share the sentiments of the Senator from Delaware with regard to the change in personnel; but that question is not involved at the moment. What we have been forgetting in this entire story is that the Commodity Credit Corporation and the Treasury Department are charged with measuring a diminution in the value of the assets which they have. They have set up a very careful appraisal program. They appraise what they have in their inventory. The \$495 million on this sheet is actually an inventory loss.

When the Commodity Credit Corporation buys butter at 66 cents a pound, and the market price is 38 cents a pound, the Commodity Credit Corporation is charged, on an appraisal of its assets, with reflecting that loss when it seeks to repair the capital structure of the Corporation. When it has bought milk at 17 cents a pound, and it now has a value of a little less than 3 cents a pound, that represents a loss. Under the law the Corporation must appraise the value of its assets and make a report thereon. That is the mandate in the law.

There are some items which might be a little difficult to explain, but they are minor items. The Senator from Delaware referred to an item of \$78,000 in connection with potatoes. That is doubtless an administrative charge which goes back several years, even though the inventory shows neither potatoes nor potato flour.

There is a charge of \$5,000 for liquidation of the honey program. That is a "honey," in any man's language. Why we should be in the honey business is more than I know, but that is a minor item. The large items represent nothing more than a determination of what the asset is worth as of the time the sheet is made up, compared with the cost of the commodity. A report must be made to the Treasury and to the Congress. That is what is reflected on the sheet before us.

Mr. WILLIAMS. Mr. President, will the Senator from North Dakota yield in order that I may ask the Senator from Illinois a question or two? He seems to understand the program pretty thoroughly.

Mr. DIRKSEN. The Senator flatters me.

Mr. WILLIAMS. Will the Senator from Illinois tell the Senator from Delaware, for the RECORD, the manner in which he thinks this determination is made?

Mr. DIRKSEN. The price determination?

Mr. WILLIAMS. Yes.

Mr. DIRKSEN. There is a very involved appraisal method. The Corporation is mandated, of course, to make the appraisal on the basis of the low. I will



tell my friend the appropriate provisions of the act of March 8, 1938.

There must be an appraisal of all assets and liabilities of the Corporation for the purpose of determining the net worth of the Corporation. In order to do so the Corporation makes an appraisal of the cost of such assets to the Corporation, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal.

My friend from Delaware may remember that when we first created the Corporation it was necessary for the Corporation to make a report in March. Because of the volume of its operations, it was discovered that it could not do so. We amended the law so that it could be done by June 30th, the end of the fiscal year.

What the Corporation does is simply to make the best appraisal it knows how to make, consonant with certain Supreme Court decisions. So the large item here is an inventory loss. A business concern would do precisely the same thing.

Mr. WILLIAMS. I understand that these appraisals are made at cost or on the basis of the market price as of June 30th, whichever is lower. Is that correct?

Mr. DIRKSEN. First of all, the Corporation takes into consideration the cost, and then the market value. I can best illustrate the method to my friend from Delaware by the report which is before us. For example, butter was purchased at a little more than 66 cents a pound. Then the price of butter went down to a figure representing whatever the market value was at the time the appraisal was made. The appraisal was made as of June 30, 1953. So whatever the difference was, that figure represents the inventory loss.

Mr. WILLIAMS. Speaking of butter, what was the average cost of the butter to the Corporation, and what was the average market price as of June 30, 1953?

Mr. DIRKSEN. As I understand, the average cost was 66.86 cents a pound, and the average market value under the appraisal was a little more than 38 cents, so it is easy to express the final impairment in the inventory.

Mr. WILLIAMS. Where did the Corporation get the figure of 38 cents a pound, when the United States Government is buying all the butter that is offered for sale in the United States at approximately 67 cents a pound? That is the market price, and that has been the market price ever since.

Mr. DIRKSEN. What my friend forgets is this—

Mr. WILLIAMS. I recognize that the Corporation is not going to get its money out of the operation, and we shall have to take a loss. I think we made a mistake when we started buying it, and I think we should revise our program today. We were buying it when the market was 67 cents. The market price is now 67 cents. Those are the facts.

Mr. YOUNG. Mr. President, I have the floor, and I should like to make an explanation.

Mr. DIRKSEN. Very well. I think the Senator from North Dakota is entitled to some of his own time.

Mr. YOUNG. The Commodity Credit Corporation had commercial sales during the past 6 months of 3,694,000 pounds, at a little more than 66 cents a pound. It sold 15,034,000 pounds to the Army at 15 cents a pound. Under the operation, in connection with section 32 funds, it disposed of 70,790,000 pounds at 66.8 cents a pound, or about the cost to CCC. There were also donations of 28,354,000 pounds. The average price the Corporation received for the past 6 months amounted to 38.78 cents. That includes the price of sales to the Army, and gifts and donations.

Mr. DIRKSEN. It is an average price.

Mr. YOUNG. That is correct.

Mr. DIRKSEN. That price includes sales of all kinds, and includes donations and deterioration in butter stocks. That is the average price obtained by the Corporation.

Mr. YOUNG. Or what it expects to get.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ANDERSON. I do not believe the law is too clear on that point. I am not trying to say that there is not the possibility that it might be so construed; but the law does not mention average price. The law provides:

The value of assets shall be determined on the basis of the cost of such assets to the Commodity Credit Corporation, or insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower.

They must use the cost unless they can obtain a market value. If they can ascertain the market value, and it is lower than the cost, that must be used.

In this instance they did exactly what has been described, namely, they gave away large quantities of butter. The giving of it away should not enter into the market price; nor should the sale to the Army at 15 cents a pound enter into the market price. I do not know why they would sell butter to the Army at a price lower than the price paid for oleomargarine.

Mr. YOUNG. They probably did it in order to get rid of it.

Mr. ANDERSON. I do not know why the Army should pay 15 cents a pound for butter when it must pay 25 to 26 cents a pound for oleomargarine.

Mr. YOUNG. Mr. President, at this point I should like to have read at the desk a letter written to the chairman of the Committee on Appropriations by the general counsel of the Treasury.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will read the letter.

The legislative clerk read as follows:

THE GENERAL COUNSEL  
OF THE TREASURY,  
Washington, February 4, 1954.

Mr. JARLATH M. SLATTERY,  
Director, Professional Staff, Committee  
on Appropriations, United States  
Senate, Washington, D. C.

MY DEAR MR. SLATTERY: It appears that in connection with the consideration by the

Senate Committee on Appropriations of House Joint Resolution 358, "to discharge indebtedness of the Commodity Credit Corporation," a question has arisen concerning the basis used by the Treasury in its June 30, 1953, appraisal of the assets and liabilities of the Commodity Credit Corporation for determining the value of certain dairy products held by the Corporation on that date.

The governing statutory provision (15 U. S. C. 713a-1) provides in pertinent part that "The value of assets shall be determined on the basis of the cost of such assets to the Commodity Credit Corporation, or insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower, \* \* \*."

It is understood that during the month of June 1953 there existed generally a wholesale price for butter in the neighborhood of 66 cents per pound. However, the Treasury appraisers did not deem that they would be justified in adopting this as average market price for butter during the period in question, since such rate was largely determined by the buying price for butter of the Commodity Credit Corporation (i. e., approximate cost of butter to the Commodity Credit Corporation) and since the Corporation was unable to dispose of butter at this price in any significant quantities. Accordingly, the market price used for the purposes of the appraisal was a composite price of 38.78 cents per pound, based upon the actual experience of the Commodity Credit Corporation in disposing of butter. For the reasons outlined above, a similar method of arriving at the "average market price" for dried milk was used.

The question of whether the basis for the appraisal of the foregoing dairy products was proper from a legal standpoint resolves itself into the question of the meaning of "average market price" as set forth in the foregoing statutory provision. It was held in the case of *McGarry v. Superior Portland Cement Company* (Wash. 1917, 163 P. 928), that "The words 'market price' have no hard and fast meaning. There is no magic in the term. When it becomes the subject of legal controversy it will be given that meaning which will best serve the purpose and intent of those who use it in their contracts." In connection with the language it may be stated that, while the present situation does not involve the construction of a contract, the legislative history of the applicable statutory language does not indicate an intention by the Congress that the average market price should be arrived at by one particular method.

Accordingly, it would seem quite appropriate to apply the following definition of "market price" contained in the case of *Blydenburgh v. Welsh* (3 Fed. Cas. 771-775):

"Now, what is the price of a thing, particularly the market price? We consider it to be the value—the rate at which the thing is sold. To make a market there must be buying and selling, purchase and sale. If the owner of an article holds it at a price which nobody will give for it, can that be said to be its market value? \* \* \* The law does not intend this."

In the light of the quoted definition and the particular circumstances prevailing in respect to the dairy products held by the Commodity Credit Corporation as of June 30, 1953, it is our opinion that the basis upon which they were appraised was not objectionable from a legal standpoint.

Very truly yours,

ELBERT P. TUTTLE,  
General Counsel.

Mr. YOUNG. Mr. President, at this point I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ANDERSON. Mr. President, will the Senator yield?



Mr. YOUNG. I yield.

Mr. ANDERSON. I wish to say to the Senator from North Dakota that, as I am sure he realizes, those of us who raise this question are not trying to keep the Commodity Credit Corporation from getting some money. I have an interpretation of what I believe the law to be. I have before me an interpretation of the law as written on the 4th of February 1954, which is a very recent date. I believe that for years the Department has been proceeding under another theory. Perhaps that is not correct. At any rate, what the question raised by the Senator from Illinois [Mr. DIRKSEN] suggests to me is that soon, at least, and probably as quickly as the Committee on Agriculture and Forestry can do so, it ought to establish three bases upon which the Treasury Department might appraise these assets: One, the cost; two, the market value; and then, where there is no market and no possibility of sale, the Treasury Department might fix some sort of average price which would take care of the donations, and so forth.

I read from the case of Blydenburgh against Welsh:

To make a market there must be buying and selling, purchase, and sale. If the owner of an article holds it at a price which nobody will give for it, can that be said to be its market value? \* \* \* The law does not intend this.

Mr. President, 75 percent of all the butter produced does move at the market value, which is 67 cents a pound. It does not seem to me that the appraisal comes under the scope of this definition at all. I am trying to say to the distinguished Senator from North Dakota [Mr. YOUNG] that there can be a difference of opinion about how the appraisal should be determined without there being any question as to whether the Commodity Credit Corporation may need some more money. I hope that it may be clarified either by this discussion or by the enactment of subsequent legislation.

Mr. YOUNG. The point of the Senator from New Mexico is well taken. There is room for improvement with respect to the appraisal procedure, and I believe we ought to go into the subject further.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. DIRKSEN. In response to the Senator from New Mexico, of course Congress might have written a more specific provision into the act of 1938, although at that time it did not appear to be necessary.

At this time certain guidelines and certain formulas might be written into the law, so as to avoid guesswork and the necessity of going to the Supreme Court for a decision. Let us make it specific, and let the act of 1938 be amended to provide what Congress intends to provide, and then of course, the question probably will never arise again.

Mr. ANDERSON. That is what I am trying to suggest. I shall wish to say something further on the subject, and I hope we may have further discussion of it. I believe, however, the Senator from North Dakota [Mr. YOUNG] ought to be

allowed to complete his statement. I shall be happy to wait until he has concluded his remarks.

Mr. YOUNG. I do not have much more to say. At this point I ask unanimous consent to have printed in the RECORD a letter to the Committee on Appropriations from the Secretary of the Treasury, Mr. Humphrey, approving the procedure followed in making the appraisals.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,  
Washington, February 9, 1954.

Hon. STYLES BRIDGES,  
Chairman, Committee on Appropriations,  
United States Senate,  
Washington, D. C.

DEAR SENATOR BRIDGES: I understand that your committee desires certain information relating to the appraisal of the Commodity Credit Corporation in connection with the pending cancellation of notes in lieu of an appropriation under the act of March 8, 1938, as amended.

The committee appointed by me to make the appraisal of the assets and liabilities of the Commodity Credit Corporation as of June 30, 1953, has observed the same standards and procedures since the law was amended in 1945 to include the present provisions.

The General Counsel of the Treasury Department has advised me that he is satisfied that the principles followed in making the appraisal of June 30, 1953, are in compliance with the act of 1938, as amended, which provides for the valuation of assets on the basis of cost of such assets to the Commodity Credit Corporation, or insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is lower. I am also informed that the practice followed by the Commodity Credit Corporation in the establishment of reserves for losses was referred to outstanding representatives of the public accounting profession who have commended the Corporation for the accounting practice employed, and advised that the practice appeared to be generally in accordance with acceptable accounting principles. It may be of interest to note that the appraisal committee has been more conservative than the Commodity Credit Corporation in the allowance of reserves for losses for appraisal purposes. In arriving at the preliminary appraisal which was submitted to the Congress by the Commodity Credit Corporation, the staff which assembles the data for the appraisal committee reduced the estimated impairment from \$641,329,000 as shown on the Corporation's books to \$609,931,000; this is \$31,398,000 less than the impairment shown by the Corporation's records.

This appraisal data compiled by the committee's staff is now being given formal review by the appraisal committee. On the basis of the information available it appears that it would require approximately \$609 million to restore the capital of the Corporation to the amount provided by law. Therefore, the sum of \$550 million agreed to by the conferees is well below the capital impairment of the Corporation as of June 30, 1953.

As I understand it, the intention of the Congress as indicated in the law of March 8, 1938, as amended, was to place the operations of the Commodity Credit Corporation on an accrued loss basis rather than on a cash payment basis. This results in allocating losses to the proper fiscal period, and is a practice generally used by large business concerns.

Very truly yours,

G. M. HUMPHREY,  
Secretary of the Treasury.

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Mr. True D. Morse, acting Secretary of the Department of Agriculture, to the chairman of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, February 9, 1954.

Hon. STYLES BRIDGES,  
Chairman, Committee on Appropriations,  
United States Senate.

DEAR SENATOR BRIDGES: It is my understanding that your committee desires my comment on the appraisal of the assets and liabilities of the Commodity Credit Corporation as of June 30, 1953.

The responsibility for making an appraisal of the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the amount of capital to be restored is placed by the act of March 8, 1938, as amended, on the Secretary of the Treasury. From our observation of the methods used in making the appraisal, it appears to us that a careful and painstaking effort is being made to perform the appraisal as accurately as possible within the requirements of the law.

If I can be of further assistance, I shall be glad to do so.

Sincerely yours,

TRUE D. MORSE,  
Acting Secretary.

Mr. YOUNG. Mr. President, I realize the existence of some of the objections which have been made on the floor of the Senate with regard to the method of estimating losses, but I believe it to be about as broad as it is long. If losses on wheat are estimated as a result of a very weak cash price as of July 1 last year, and the Commodity Credit Corporation actually sells wheat, the wheat is accumulated for more than the Treasury anticipated it would be sold, the Treasury is repaid for it, and there is no loss incurred.

As of last June 15, the average price of wheat was \$1.88 a bushel, or 78 percent of parity. On June 30, when the Treasury made its appraisal of wheat, it appraised it at about that value. Since that time the price of wheat has risen from 78 percent of parity to 82 percent of parity as of January 15.

On the basis of that computation, and barring further unfavorable conditions with respect to the wheat program, the Department may realize more money than it anticipated at that time.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. WILLIAMS. I may say to the Senator from North Dakota that to the extent that the Treasury appraised the price of wheat, perhaps it was correct, and I made that statement in committee, because the domestic price was lower as of the day it made the appraisal. However, that is not the case with respect to butter. The Treasury wrote off the anticipated loss as it would be if certain factors entered into the situation, but they are factors which we know do not enter into it. If we allow them to follow this procedure in reference to butter, what will prevent them from adopting the same procedure next



year on wheat, corn, or other commodities. To accept this philosophy places the power in the hands of the Secretary of the Treasury to wreck the program on any commodity he wishes. The Government is committed, under the announcement of the Secretary of Agriculture, to support the price of butter until the first day of April at 67 cents. If they are going to drop the price after the first day of April, certainly the domestic price of butter will be lower. I do not know what they are going to do, and the Senator from North Dakota does not know. I do not think the Department could intelligently write off the loss on butter for the next 12 months. If we support butter at 80 percent of parity, which I personally think would be too high, it means that the price of domestic butter would be from 60 to 62 cents. In the absence of knowledge of what the Department plans to do we cannot estimate the loss here today. That is not the intent of the law as I understand it. It will accomplish nothing

except to confuse the overall cost of the program.

Mr. YOUNG. Mr. President, there is a great deal of merit to appraising ahead of time what the losses may be on commodities. The Treasury Department thought it probably would not be able to sell the butter for more than 38 cents a pound. It may well be that there will be more of a loss than that. If it had to be dumped on the market at this time it would not bring more than from 38 to 40 cents a pound. The world market price is about 4 cents a pound higher than that figure. By the time it is packaged and shipped to Europe it would cost about 44 cents, or the world price as of last June.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a tabulation showing the total capital impairment and operations by years.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Analysis of surplus, U. S. Treasury appraisals, and payments to or from U. S. Treasury*

A. SURPLUS AS OF JUNE 30, 1953

Item	Cumulative to June 30, 1952	Fiscal year 1953	Cumulative to June 30, 1953
Net operating gain or loss * exclusive of cost of wartime consumer subsidy program.....	* \$1,050,927,622.82	* \$626,778,849.07	* \$1,686,706,471.89
Adjustments for recovery of price support losses:			
Charge to the reserve for postwar price support.....	500,000,000.00	-----	500,000,000.00
Recovery from Secretary of Treasury, Public Laws 389 and 393, 80th Cong.....	56,239,432.11	-----	56,239,432.11
Net total.....	* 503,688,190.71	* 626,778,849.07	* 1,130,467,039.78
Cost of wartime consumer subsidy program.....	* 2,102,061,818.55	74,622.70	* 4,101,987,195.85
Net restoration of capital from U. S. Treasury (see pt. B).....	2,385,528,507.78	109,391,154.00	2,494,919,661.78
Net surplus (or deficit*).....	* 220,221,501.48	* 517,313,072.37	* 737,534,573.85

\* Includes \$636,711,746 of reserve for losses reflected in schedule 7a and \$782,327,808 net realized program loss reflected in schedule 8.

NOTE. Asterisks indicate loss or deficit.

B. U. S. TREASURY APPRAISALS AND PAYMENTS TO OR FROM U. S. TREASURY, MAR. 31, 1938, THROUGH JULY 31, 1952

Appraisal as of—	Cumulative operating loss	Appraisal losses and adjustments	Total capital impairment	Payments to or from U. S. Treasury		
				Amount	Date	Manner
Mar. 31, 1938.....	\$23,184,618.19	\$71,100,786.54	\$94,285,404.73	\$94,285,404.73	June 1938.....	Appropriation.
Mar. 31, 1939.....	19,465,444.77	194,419,878.01	213,885,322.78	119,599,918.05	August 1939.....	Do.
Mar. 31, 1940.....	31,713,504.73	138,415,087.04	170,128,591.77	*43,756,731.01	June 1940.....	Payment to U. S. Treasury.
Mar. 31, 1941.....	60,161,512.71	111,604,524.57	171,766,037.28	1,637,445.51	September 1941.....	Appropriation.
Mar. 31, 1942.....	21,125,668.56	122,824,855.04	143,950,523.60	*27,815,513.68	June-September 1942. <sup>1</sup>	Payment to U. S. Treasury.
Mar. 31, 1943.....	67,312,510.87	116,074,897.66	183,387,408.53	(?)		
Mar. 31, 1944.....	363,846,418.04	36,898,986.60	400,715,404.64	256,764,881.04	May 1945.....	Appropriation.
June 30, 1945.....	1,319,454,710.71	2,717,255.03	1,322,171,965.74	921,456,561.00	July 1946.....	Note cancellation.
June 30, 1946.....	2,149,835,521.63	185,831,475.35	1,964,004,046.28	641,832,080.64	May 1947.....	Do.
June 30, 1947.....	1,946,108,502.74	202,051.40	1,946,310,554.14	*17,693,492.14	April 1948.....	Payment to U. S. Treasury.
June 30, 1948.....	1,898,603,546.76	1,236,002.98	1,897,367,543.78	*48,943,010.36	June 1949.....	Do.
June 30, 1949.....	2,067,882,674.69	103,816,673.57	1,964,066,001.12	66,698,457.01	September 1950.....	Note cancellation.
June 30, 1950.....	2,695,604,034.11	310,075,526.33	2,385,528,507.78	421,462,507.00	September 1951.....	Do.
June 30, 1951.....	2,539,693,277.51	44,773,615.73	2,494,919,661.78	109,391,154.00	July 1952.....	Appropriation.
Net restoration of capital from U. S. Treasury.....	-----	-----	-----	2,494,919,661.78	-----	-----

<sup>1</sup> \$18,000,000 partial payment made in June 1942 and balance paid in September 1942.

<sup>2</sup> The impairment of \$39,436,884.93 as of Mar. 31, 1943, is included in the May 1945 appropriation.

NOTE.—Asterisks indicate loss or deficit.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ANDERSON. Mr. President, my opposition to the conference report is based on the fact that we are acting in an arbitrary fashion in removing the inventory reduction on dried milk and leaving in cuts on the value of butter and cheese.

I want to make clear again, as I tried to do when the Senator from North Dakota [Mr. Young] was discussing the question a few days ago, that I do not question the wisdom of the valuation placed upon commodities by the Treasury Department. I am not trying to show that prices finally received will not be as low as those established by the Treasury Department. I am merely contending that I do not think the law as presently written should be interpreted to give authority to bring prices down in accordance with what the Government thinks might result if all the butter were dumped on the market.

The amount set aside for wheat, I quite agree with the Senator from North Dakota, is probably proper, because the price did drop for a period of time during June. It is up again, somewhat. It is not going to go too high, because of the large carryover and the lack of storage space. Nevertheless, there will be a loss; but the figure on wheat is all right. The figures may be right as to a great many commodities. The thing which disturbs me most is what has happened in the butter situation. As the matter now stands, by the adoption of the conference report we shall have to restore full value to nonfat dry milk solids, a difficult product to sell, but we will drop the calculated price of butter to approximately 38 cents a pound.

The figures which the Treasury Department used in making its calculation represent an average or blended price. I hate to see that sort of a price used, because I think it is a bad tendency with reference to agricultural commodities which the Government is engaged in trying to support in the marketplace. We are supporting butter at a price of 66 cents, and yet a sale is made to the Army at 15 cents a pound. I do not know by what token the military should say to the Department of Agriculture, "We have requirements for butter, and if you cut the price to 15 cents a pound we will buy it."

The American farmer has been told repeatedly that he produces a very fine butter, and he does. For the Army to establish a price of 15 cents a pound I think is wrong. I think it is particularly wrong when butter is moving into the marketplace, and being supported at 66 or 67 cents a pound that it is proposed we write the butter price down to 38 cents.

If the Secretary of Agriculture found he was unable for any reason to continue supporting the price of butter, can we imagine what that surplus would do to the butter price in this country?



Mr. President, the law under which the Secretary of Agriculture is operating has a special provision for butterfat and milk products. It is in a group of commodities that can be supported between 75 and 90 percent of parity. The stipulation is that the price of whole milk shall be supported at a level not in excess of 90 percent nor less than 75 percent as the Secretary shall determine to be necessary in order to insure an adequate supply.

The present level is 90 percent of parity. Surely, Mr. President, if we are getting so much butter that we have to reduce the price to 38 cents a pound, almost down to 50 percent of what the Government has paid for it, then we are supporting it at a level higher than the requirement of the law should be. The Secretary will be in difficulty when he tries to support butter again in the coming year.

Some years ago there was in this country a very large supply of dried eggs. We tried to figure out what we would do with them. We now have on hand 265 million pounds of butter. The average load of butter in a refrigerator car is 30,000 pounds. The number of cars necessary to take our butter supply across the country would be 8,833. If we placed 60 cars of butter in each train, we would have to have 147 special trains to carry the amount which the Commodity Credit Corporation now owns.

With reference to cheese, there are 260 million pounds. There, again, approximately 30,000 pounds would fill a refrigerator car, and it would require 8,660 of those refrigerated cars to move the cheese supply. It would require 144 trains of 60 cars each to transport it.

When it comes to dried milk, there are 424 million pounds on hand and it would take approximately 9,422 refrigerator cars to handle it. That would take 157 more trains of 60 cars each.

Mr. President, the supplies of these commodities are getting completely and absolutely out of line. So far as I am concerned, I should like to take some of the dried skimmed milk powder, which is a good and nutritious food, and move it into areas of the world where it is needed for food.

There is a great deal of dry skim milk powder used by the commercial trade. Bakers use it; many industries use it. It is a good product, produced from good nutritious milk. If we cannot convert all milk into butter and cheese, or dry skim milk solids, I would suggest using the stamp plan which the Senator from Vermont has advocated, to make possible increased consumption of fluid milk in this country. We do not have too much fluid milk to take care of the people who need to drink milk in the United States. The trouble is we are not able to supply it to the great number of people who ought to have it.

I think if they were going to reappraise our CCC stocks, it might have been done to provide for dry skim milk powder, which is very cheaply disposed of, and butter prices might have been left at a little higher figure.

This is not criticism of the Department of Agriculture. These figures are primarily worked up by the Treasury

Department. I am sure the individuals in the Treasury Department must feel that they are trying to carry out the provisions of the law. I do not believe that was the purpose of the law. I believe the purpose of the law was to say that the estimate of value placed on it should be the cost at which the commodity was acquired, or it should be the market price, if that market price was lower. Today, to sell it at market, would cause the Commodity Credit Corporation to sustain a loss. I do not think it was intended to put in the law an element of judgment, an element of guesswork and estimate.

If, however, that is the purpose, then I think the provision ought to be changed by the Committee on Agriculture and Forestry, which should consider it or provide some further legislative rider that might come into play when the next impairment of capital comes along.

I think these commodities have a way of surprising us every once in awhile. The Senator from North Dakota [Mr. Young] read some instances in which commodities have been written down, and then gains came back from them. There were many people who thought the price of cotton was supported at too low a level, when we were only supporting it at a low level, and we acquired endless stocks of cotton that had to be stored all over America. Some of it was placed in a ball park in one State, because it was the only large area close to the railroad tracks where it could be stored.

People said, "That whole mountain of cotton is a waste. It should never have been bought or its price supported."

Now we can go back and point to a gain of \$180 million, \$190 million, or \$200 million on that cotton. That cotton returned to the Federal Treasury much more than it cost.

I think some of the other commodities would do the same thing. I believe some of the butter, which is a very fine, nutritious food, needed by countries short of fats, could be moved into some of those areas and be a whole lot more appropriate for us than some of the other things we might be doing around the world.

I regret that I cannot support the conference report. I do not ask other Senators to do what I shall do. I shall vote against the report merely because I do not feel the conferees should have attributed such a heavy loss to butter and various other commodities, and take a commodity like dry skim milk and handle it as they did, not showing any loss.

If we were going into the whole project, I think we would have been justified in taking a new approach and correcting the situation with a view to that factor. I do not believe this completely corrects the situation. The Commodity Credit Corporation needs money. I said to the distinguished majority leader the other day that if we had trouble agreeing to this, certainly I would not oppose bringing up a bill to increase the borrowing power of the Commodity Credit Corporation by \$1,750,000,000, and I would vote for it. This is not a question of trying to cramp them in their operation. I believe those who determine the value of Commodity Credit Corporation stockpiles

will need additional assistance from Congress. I hope they may shortly get it.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. DIRKSEN. I think it is a statement of fact, is it not, that ever since the first appraisal committee was created, under the act of 1938, this practice has substantially been followed, and it has had the approval of the general counsel of the Treasury, since the Treasury, the RFC, and the Department of Agriculture all have had membership in the Commodity Credit Corporation and all have had an interest in it.

In a general way—I will not say they did it in specific detail—I think this pattern has been followed right along.

Mr. ANDERSON. I think the last statement of the Senator from Illinois is correct. This pattern may have been followed right along. I do not believe it ever came before the General Counsel for attention. I have asked representatives of the Treasury, while the Senator from North Dakota [Mr. Young], was present, if they had any previous written opinions on it, and they said they could not find any. The Department of Agriculture has said it could not find a written opinion. But I have tucked somewhere in the back of my mind a feeling that I was advised that the other point was the truth, that we should do it on a sustained-loss basis, and that way only. But I say to the distinguished Senator from Illinois that I found in the year 1950 that they did charge off \$28 million for butter in that particular year, just as is being suggested here.

In a subsequent year, they found out what their sustained loss was—\$44 million—and they put into that second year a sustained loss of \$44 million on butter, and put back a gain of \$28 million they had taken out the year before. Actually, the net loss was \$44 million. Probably it should have been \$28 million the first year and \$16 million the next year, if it is to be done that way. I would have preferred to put \$44 million in the year the loss was sustained, but I wish to say in fairness that this is not a sudden discovery, not a new practice. It was done that year. I regret that it was done that way. I think it would have been better to have taken the whole \$44 million in the year the loss was sustained.

Sometimes some good comes from these discussions. Through the kindness of the distinguished Senator from North Dakota [Mr. Young], I was given an opportunity to attend a meeting of the Committee on Appropriations this morning while some of this discussion was under way. I found that in a single year it was charged that the amount necessary to restore capital to the Commodity Credit Corporation was \$801 million.

I suppose that sometime someone will get up and say the farm program cost the Treasury of the United States that year \$801 million, but against that \$801 million, \$845 million was for consumer subsidies, and the farm program actually made a profit. But when books are kept so that they do not reflect what goes on, such things can easily happen.



I am not being critical of any individual when I speak of "books being kept in that way." This has long been the practice. Apparently it goes on that way. I think it is wrong to charge farm programs with subsidies. I also think it is wrong to charge the loss in one year, and then estimate for the next year what is expected to be done, without specific legislative authority.

I am only hoping that it will be possible to obtain specific legislative authority in the future, so that this problem can be clearly understood, so that we can take cost or market value when the commodity is being traded in the market place; but if there is no market, the Treasury shall set the price that shall be realized by a forced selling of the commodity.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I wish to reaffirm what the Senator from New Mexico has said. This is not the only opportunity or means of approach we shall have to afford the Commodity Credit Corporation in order to enable them to carry out the law. No one is suggesting that we refuse them proper funds to carry out the law. I think the manner of approach should be, by way of a bill, brought before the Senate in the normal manner. By passing a bill in the manner in which we are now doing, I do not think we are getting across to the American people or to Congress a true picture of what these particular programs cost. The Treasury Department this afternoon, in conference with the Committee on Appropriations, admitted this had the effect of writing off, for instance, \$71 million, as a prospective loss on butter has the indirect effect of making the program look less expensive than it really is. If, for instance, a war should break out, or if some other unforeseeable circumstance should develop, whereby the butter could be disposed of without loss, then the next year they would come in and report an imaginary \$71 million profit.

We are being told by the Department of Agriculture that the loss on butter as of June 30, 1953, was only \$456,452. Yet, as of the same date, they are asking us to write off \$71,497,512 on the basis of anticipated loss. Then, when the loss is actually sustained, the American people will have forgotten our action here today and the loss will not be publicized. That is the sole purpose of adopting this procedure.

From the standpoint of the taxpayer, I grant there is no difference in whether a loss is anticipated and written off this year or later, but I think we get a much clearer picture if we write it off after the losses are sustained. The only possible objection that I can see is that those sponsoring this procedure are ashamed of the true cost.

Mr. YOUNG. The figures the Senator read a few minutes ago were as of July 1, 1953, and they covered the previous year. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. YOUNG. There was not a loss at that time; but we are now running into

a problem in connection with dairy products.

Mr. WILLIAMS. I think we are running into a problem for which I have yet to hear anyone offer a proper solution. As the Senator from North Dakota knows, the representatives of the Department of Agriculture appeared before the committee recently and discussed a plan whereby they would write the price of butter down to about 30 cents a pound and perhaps start selling it on the free market. The Senator knows, as I do, that the Congress, and the country as well, I think, have overwhelmingly repudiated that plan, which was identical to the one proposed by Secretary Brannan.

As one Member of the Congress who denounced the Brannan plan at that time, I may say that it does not look any better to me, now that certain members of the present administration propose it. The Department of Agriculture has the responsibility of coming before the Congress before it extends the price support on butter another 12 months, and telling us how they plan to dispose of it. The Government cannot continue to accumulate butter and store it in the warehouses. I do not question that the loss will be \$71 million. Indeed, I do not believe that amount will even touch the actual loss. However, I do object to the Department of Agriculture first claiming a profit or insignificant loss and then on the next day telling us their losses are staggering. Let us get our stories together and at least tell the same one today that we told yesterday.

I refer now to cottonseed products. During the last 3 years the Department of Agriculture has reported a profit. So far as the American people are concerned, they are being told that the Department of Agriculture has made a profit on cottonseed products in each of the past 3 years. In the fiscal year ending June 30, 1953, the report before the Senate today for consideration, and the books of the Department of Agriculture, show a profit of \$7,701,796. The financial statement of the CCC dated June 30, 1953, claims that they have never sustained a loss on this program. On the other hand, the Treasury Department on the same date is saying that we should write off \$38,479,026 as a loss on the same product. The Department of Agriculture tells us they have always made a profit and the Treasury says they are losing money. Who is right?

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. The figures applied up to July 1 of last year. The Treasury Department estimated there would be a loss in the present fiscal year. There is a vast difference again in the two periods. The Department at that time was operating at a profit. Now they anticipate that they will be operating at a loss. There may be a change, and the loss may turn into a profit. It is good procedure to anticipate a loss, so that one can correct conditions before they become too bad.

Mr. WILLIAMS. I point out to the Senator, however, that the Department

of Agriculture is the agency primarily charged with the responsibility of administering the program. Now it is sending representatives to the Committee on Agriculture and Forestry and is saying to the American people that the program as a whole is not so expensive that it does not cost very much. Yet at the same time the Treasury Department says it is costing a great deal of money and that \$700 million are needed immediately to write off the loss.

I think we should get the parties together, and if the program is going to cost \$600 or \$700 million, we should pin it down. If it is going to cost only \$20 million a year, let us get that figure.

We are not getting the true picture today. In the past few weeks I have heard Senators representing different agricultural areas state on the floor of the Senate that, as a whole, the Government has made money on the programs affecting the particular crops produced in the areas for which they were speaking. Yet, at the same time, when the Director of the Bureau of the Budget is asked how much money the agency in question has made, he states it has lost more than \$5 billion. I say that if the Government continues to make money on the products in question as it has made it in the past, it will go broke.

I recognize that it was never intended that the Commodity Credit Corporation should make a profit. It was created to carry the expenses of the agricultural program. However, let us not be ashamed of telling the taxpayers the true costs. As a political party we promised that we would adopt sound business procedures in the agencies of the Government. Under the former administration many of us criticized the former Secretary, Mr. Brannan, for these same policies. They are just as unsound today.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. YOUNG. This program is an old defense program. The Government has a stockpile of strategic war materials, and it has billions of dollars invested in such materials. Agricultural products, particularly wheat, cotton, and corn, are very important in time of war. The Government has carried the necessary surpluses and necessary stockpiles of those products in time of war or during a period of emergency, under operations of the Commodity Credit Corporation, all chargeable to the price support program. I think the Senator will admit that his statement is not exactly fair.

Mr. WILLIAMS. I am not questioning the merits or demerits of carrying reserves. That is not the question before us today. But I submit that the charge for carrying such surpluses should be accounted for in the same manner that is used in the case of other strategic materials. I voted against the rigid 90 percent parity price supports, as the Senator may know. However, I would help in appropriating the money to carry out the program, so long as the law is on the books. However, I shall



insist that it be done on an accurate accounting basis.

The point I am making is that we should not appropriate money in advance of the actual need for it. The agency plainly states that their losses for the last year were around \$116 million. Yet we are asked on the same day to write off \$609 million for capital impairment. Those two figures cannot be reconciled.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. The Department is anticipating that the loss will be as large as the figure it has stated. It may very well be that large. Let us hope not; but, as I pointed out a while ago, wheat prices have increased from 78 percent to 82 percent of parity. There has been a considerable improvement over the prices of last July.

Mr. WILLIAMS. Yes; but I will read the law upon which their figures are based:

1. The appraisal shall be made by the Secretary of the Treasury.

2. The appraisal shall be as of June 30 each year and shall be completed as soon as possible thereafter and the results reported to the President.

3. The value of Commodity Credit Corporation assets shall be determined on the basis of cost to the Commodity Credit Corporation or, insofar as practicable, the average market price in the month of June, whichever is the lower.

Now, the cost of butter to the Commodity Credit Corporation was around 67 cents a pound. The average price for the month of June 1953 was 67 cents a pound. I have said on many occasions that it might be an unrealistic market; but, nevertheless, the market price in June, July, and August, and as of today, is 67 cents a pound. The fact that the Department sold butter to the Army for 15 cents a pound does not establish a domestic market price. From the taxpayer's standpoint, it makes no difference whether they sell it at 15 cents a pound to the Army, give it to them, or sell it to them for a dollar a pound. Suppose they sold it for a dollar a pound. The Army would tell us they made a profit of three or four hundred million dollars on butter inventories. The Senator will have to admit that that is unrealistic.

On May 7, 1953, the Department of Agriculture was reporting to the American people that they were actually making money on butter; but I know they have not made a dime from the day they started the program, and the Senator from North Dakota knows it. Let us tell the truth even though it hurts.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Illinois.

Mr. DIRKSEN. The important thing to remember in connection with the law is that the whole purpose of the mandate to the Treasury Department and to the Department of Agriculture is to keep intact the capital structure of the Commodity Credit Corporation. It is incorporated for \$100 million, and the law is specific in stating that when its capital

structure is impaired, the impairment must be reported. One has to start from the capital structure to begin with. I wonder if the Senator can tell me how one can get by without thinking in terms of one's capital structure when one has X dollars' worth of commodities in one's inventory and one discovers, on the 30th of June, that the value of those commodities is \$435 million less than what they cost. If that is not an impairment of capital structure, I have never seen one. I think the Commodity Credit Corporation would be derelict in its duty if it did not make known to the Treasury Department and to the Congress what the impairment in its inventory was, because no private corporation could keep alive under such circumstances. Creditors would come forward and put it out of business.

Mr. WILLIAMS. I might say to the Senator from Illinois that every private corporation in the United States is doing exactly what I say the Commodity Credit Corporation should do today. Under the Treasury's own rule no business institution, not even a farmer, can write off a loss until the loss has been sustained. All I am asking is that we apply the same sound business principles to this Government Corporation as are demanded of our private corporations. Before the 1952 election we were all for that procedure.

Today the Treasury Department is asking us to write off an imaginary loss in 1 or 2 cases on products which had not even been purchased on June 30, 1953.

Mr. President, not another corporation in the United States would be allowed to file its tax returns based on such a method of operation. The Senator from Illinois knows full well that is true. The Treasury Department's own rule is that a loss cannot be taken until the sale has actually been completed. Let them abide by their own rules.

In regard to butter, a commodity which seems to be discussed the most—and I imagine we shall discuss it much more before we arrive at a solution—every wholesaler in the United States who took his inventory as of June 30, or during the period in question, must figure the price of butter at the prevailing wholesale price, or 67 cents. Certainly the Senator from Illinois is not telling us that every dealer who had butter in his inventory at the close of his fiscal year can write the price down to 30 cents a pound, thereby reducing his taxes, even though he has not sold the commodity.

I should like to have either the Senator from Illinois or the Senator from Michigan [Mr. FERGUSON] explain that if they understand the law differently.

Mr. DIRKSEN. Mr. President, I will answer it.

Mr. WILLIAMS. Very well.

Mr. DIRKSEN. Under the statute the Treasury Department has to determine the net worth of the Commodity Credit Corporation; that is the law. The net worth of the Commodity Credit Corporation, or its capital structure, is \$100 million. The Senator from Delaware tells me that there can be an inventory

written down—not a loss, because the law says nothing about a loss. If there is a written down of inventory, the capital structure has been impaired by whatever is the difference between the cost of the commodity and the price of the commodity at the time when the inventory is made. That is what the law says must be done.

On one side of its books, the Commodity Credit Corporation carries losses. On the other side of its books, the Corporation carries the impairment of its capital structure.

What my friend, the Senator from Delaware, has shown in the last column is the losses. Then, of course, the impairment in inventory is shown. The losses were \$114 million, I agree.

Mr. WILLIAMS. The Senator from Illinois still has not answered my question; namely, would you apply the same rules to all business organizations?

Mr. DIRKSEN. If I have not answered it, I certain would not know what an answer is.

Mr. WILLIAMS. The Senator from Delaware respects the right of the Commodity Credit Corporation to be allowed its actual losses, but I am opposed to its taking an anticipated loss of 30 cents a pound and at the same time boasting how much money it is making. Does the Senator from Illinois say it would be permissible for any other corporation in the United States to follow the same procedure?

Mr. DIRKSEN. No; I say that under the law which Congress enacted in 1938, and which has been amended almost constantly since then, the Commodity Credit Corporation is simply following the mandate set forth in the law. If at the end of any fiscal year the Corporation should happen to have to liquidate its assets, obviously its capital structure could not be impaired, under the laws; the Corporation would have to wind up with \$100 million. However, how could that be done if the Corporation had at that time to sell the commodities in its inventory at the then market price?

Mr. WILLIAMS. Sure, the Corporation could write down the inventory either to the cost price or to the prevailing market price. The cost of the item we are discussing was approximately 66 cents a pound, the market price is the same and it will remain the same until you and some others join some of us in rewriting the law. That is the key to the whole problem and it is one that thus far Congress hesitates to tackle.

Mr. DIRKSEN. Let us see what Congress did; let us see what the law on this subject is. Congress passed the law. I was a Member of the other branch of Congress in 1938, when the law was passed. It provides that in the event any such appraisal shall show that the net worth of the Commodity Credit Corporation is less than \$100 million, the Secretary of the Treasury, on behalf of the United States, shall restore the amount.

That is what the law provides, and it is as clear as crystal.

Mr. WILLIAMS. But the rest of the law says that in establishing the appraisal, two factors shall be used: One,



the cost; the other, the prevailing market price.

Mr. DIRKSEN. Mr. President, I am not quarreling about the method. I am stating what the law is, what Congress told the Corporation and the Treasury to do.

Mr. WILLIAMS. But in this instance they did not follow the law, because they did not follow either the cost factor or the prevailing market price factor. Instead, they followed a factor based on a loss which they said they might have to take if certain circumstances were to develop.

Mr. DIRKSEN. Oh, I could not let that statement go unchallenged, because I do not think that is the fact, as developed here this afternoon.

Mr. WILLIAMS. But the Senator from Illinois will admit that the prevailing market price of butter was not 38 cents a pound in the markets of the United States at the time of this report.

Mr. DIRKSEN. I am not admitting anything of the kind. I say they ascertained the loss, insofar as practicable; they tried to ascertain the average loss.

Mr. FERGUSON. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. I think the point the Senator from Delaware has been trying to make is that in dealing with a private corporation the Treasury Department will not allow appraisals and determinations of the values of stocks or inventories to be made in the same manner as that in which the Commodity Credit Corporation makes its inventories and appraisals, or in the same way the Treasury Department does, insofar as the assets of the Commodity Credit Corporation are concerned.

However, let me point out that the difference occurs only because of the statute. The statute provides that as of the 30th of June of each year and as soon as possible thereafter, beginning with the 30th of June 1945, an appraisal of all the assets and liabilities of the Commodity Credit Corporation, for the purpose of determining the net worth of the Commodity Credit Corporation, shall be made by the Secretary of the Treasury.

The statute further provides that the value of the assets shall be determined on the basis of the cost of such assets to the Commodity Credit Corporation, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower.

The difficulty is that the law requires the Treasury Department to perform a function which I think is almost impossible to perform.

Let us consider the situation in the case of butter: The Secretary of the Treasury has to appraise the value of the butter held by the Commodity Credit Corporation. The Senator from Delaware says that, according to the law, the Commodity Credit Corporation is compelled to buy every pound of butter on the market which has not been purchased by private consumers.

Mr. WILLIAMS. Just a moment, Mr. President; the Senator from Michigan and other Senators said the Commodity Credit Corporation should do that. I

objected to such a procedure when it was started, and I am objecting to it today. The Corporation is buying butter under a directive to the Secretary of the Treasury which apparently was supported by a majority of the Members of the Senate, but not by the Senator from Delaware. I said then, and I repeat it here again today, the high support price for dairy products is destroying the farmers' market for both butter and milk. Ten years ago the per capita consumption of butter was about 18 pounds per person. Today that has declined to about 9 pounds, and oleomargarine has picked up the difference. Butter is stored in Government warehouses while the American people eat a substitute. Then the Department and some Members of Congress have the audacity to claim a profit under such practices.

Mr. FERGUSON. Very well; I shall not include the Senator from Delaware. However, I am stating what the law is.

The law requires the Commodity Credit Corporation to purchase the butter, in the discretion of the Secretary of Agriculture.

The Senator from Delaware says the Secretary of Agriculture should appraise all the butter in storage—millions of pounds of it—at the same price. I think the Senator from Delaware and I know that it simply is not possible to appraise that butter at 66 or 67 cents a pound, for if it were placed on the market, and if Congress were to repeal the law requiring the Commodity Credit Corporation to buy the butter at the average price, which now is 66 cents a pound, I doubt that even 40 cents a pound or 30 cents a pound could be obtained for the butter which now is in storage. In fact, I think the Senator from Delaware will have to agree—

Mr. WILLIAMS. Mr. President, let me say at this point, since I have the floor, that the Senator from Michigan is predicating his remarks upon a big "if." I agree with him that "if" the Congress were to repeal the law, in the case of butter, and "if" the butter were to be thrown on the market, perhaps it would sell for 30 cents a pound. However, if we are to go right down the line with the word "if" in the case of every other agricultural commodity, it would be found necessary to write off losses, not of millions, but billions.

That is why I am objecting at this time, because the allowance of such wide discretionary power permits 3 or 4 men to write off, according to their imagination, losses based on an anticipated price, although it is impossible for anyone to determine the formula they might use.

Of course, it is true that if the price-support law were to be repealed in the case of wheat, and if all the wheat now held in storage were to be dumped on the market today, the market price would fall, but that is not going to happen.

Mr. FERGUSON. But is not the Senator from Delaware making on this floor to the Senate and to the public a statement that the amount that now is being charged off is not an absolute amount, but that it is one based upon an appraisal? Sometime later, the exact date

of which is unknown, there will be an absolute loss. What the Senator from Delaware would like to do is to postpone the time so that the absolute loss can be pointed out to the public, rather than what he calls a fictitious or hypothetical loss.

Mr. WILLIAMS. What I am trying to make plain is this: When we write off the loss, so far as the taxpayers are concerned, we should be able to say, "This is the loss."

Mr. FERGUSON. I agree with the Senator.

Mr. WILLIAMS. We should be able to say, This is the loss; however, we are telling them that the loss is only \$116 million on the entire program when every Member of the Senate knows that the figure tells only a part of the story. I think we should bring out the true cost figures as they come.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I am glad the Senator from Delaware is pointing out that we cannot determine the sustained losses by trying to figure out what would happen if all the commodities were dumped on the market. No one has fought more courageously for the wheat farmer than has the Senator from North Dakota [Mr. YOUNG]. He knows what would happen if the 600 million or 700 million bushels of surplus wheat which will be carried over at the end of this season were suddenly dumped on the market. The wheat market is bad enough now. Let us not try to say that wheat prices are going to be wiped out by dumping all the surplus wheat on the market. If we hold on to the wheat and take good care of it, I do not believe that the Commodity Credit Corporation's losses are going to be large.

I remember a time when the Commodity Credit Corporation was very glad that the farmers had some wheat in their bins. It saved us from paying \$6 a bushel for wheat. We paid only \$3. Let us not feel too bad when it goes down to \$2. If the market is down to 76 percent of parity, and it goes up to 82 percent of parity, I do not think the Government will lose very much on wheat. I do not believe it will lose very much on corn. I think it will take a pretty stiff loss on butter, but I believe it will take a bigger loss on dry skim-milk solids. That loss is not being written off at all, but the loss on butter is being written off to a very substantial extent.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. I agree with what the Senator from New Mexico says. A moment ago the Senator from Delaware said, "Do it once and for all, and that will be the end of it." I want my friend from New Mexico to hear this. This is not going to be the end of this matter. If we have written down the inventory as of June 30, 1953, and the average price set under the appraisal for butter, cheese, honey, tung oil, sorghum, or linseed oil continues to drop, next year we shall have to write down again whatever inventory loss results. This is not going



to be the end of it so long as any of these commodities are in the inventory. That point should be made clear.

Mr. WILLIAMS. The Senator from Illinois is correct, in that this may not be the end of the matter though some may wish it was. Certainly we cannot anticipate the end. But when we write off the prospective loss, and then the loss proves to be less than that which is written off today, someone will be boasting that we have made money, because they are turning it back to the Treasury. That is what we have been doing in the past; however, if we continue to make money in this same manner we shall go broke.

Mr. DIRKSEN. That is correct.

Mr. WILLIAMS. The Senator from Illinois knows, and I know, that no man in business could continue to operate as this Government agency has been operating.

Mr. DIRKSEN. It is the fault of Congress.

Mr. WILLIAMS. Yes; but everytime we approach the subject Congress does what apparently it is going to do today. Year after year it criticizes the program and talks about it, but does nothing. I believe that the proper thing to do here is to reject the conference report, send it back to conference, and strike out all amounts for anticipated losses. In the meantime we can act on the bill which will increase the borrowing authority of the Commodity Credit Corporation. We should amend the law at the same time to clear up the confusion, and settle the question once and for all.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. What would the Senator do about the mandate which both branches of Congress wrote into the law, not only to lend money on corn and wheat in order to support prices, but to buy perishables in the market in order to support prices?

Mr. WILLIAMS. There is no mandate so far as buying perishables is concerned. That is done solely at the discretion of the Secretary of Agriculture. So far as the other aspects are concerned, I say that if Congress wishes to change the law, it should change the law. I think we should. This question before us today, however, has nothing to do with whether we approve or disapprove of the agricultural program. We are not legislating today on the agricultural program. Whether we are for flexible supports, 90 percent supports, or some other program has nothing to do with our vote today. It is not even a factor.

Mr. DIRKSEN. Oh, Mr. President, but it is.

Mr. WILLIAMS. I repeat. It is not a factor.

Mr. DIRKSEN. In the general survey the Corporation must include all the money which has been committed on cotton loans, wheat loans, corn loans, and all other loans. If the Corporation runs out of credit, how is it going ahead to fulfill the mandate placed upon it by Congress without violating another law?

Mr. WILLIAMS. In a few days the Senator from Illinois will be standing on this floor asking for another billion or \$2 billion for the same agency. Some day the American people will demand an accounting.

Mr. DIRKSEN. Certainly the Senator from Illinois will be here.

Mr. WILLIAMS. The agency will be back after more money, time after time, until we change the law. Thus far there appears a great reluctance to do that.

Mr. DIRKSEN. Mr. President—

Mr. WILLIAMS. Just a moment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated March 3, 1953, to be followed by a letter dated March 16, 1953, from the Director of the Budget, in which he outlines the losses sustained under the Commodity Credit Corporation since its inception in 1933, together with my letter making the inquiry. I think that will explode the theory that this agency has made money. On the contrary, the losses have been over \$5½ billion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 12, 1953.

Mr. FREDERICK J. LAWTON,  
Director, Bureau of the Budget,  
Washington, D. C.

DEAR Mr. LAWTON: Will you please advise me from the standpoint of the American taxpayers the total profit or loss which has been sustained by the Commodity Credit Corporation through its operations since its inception until January 1, 1953.

With this information, please break down the manner in which the Corporation received its funds; that is—

1. What is the paid-in capitalization of this Corporation?
2. What was the net worth of the Corporation as of January 1, 1953?
3. List all appropriations which have been made to this Corporation since its inception.
4. List all repayments to the Treasury which have been made by this Corporation.
5. List all note cancellations, along with dates and amounts.
6. List the total amount of section 32 funds which have accrued to this Corporation since its inception.
7. List any other moneys which have accrued to this Corporation through any other sources.

Yours sincerely,

JOHN J. WILLIAMS.

EXECUTIVE OFFICE OF THE  
PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., March 3, 1953.

HON. JOHN J. WILLIAMS,  
United States Senate, Washington, D. C.

MY DEAR SENATOR WILLIAMS: This is in further reply to your letter dated January 12, 1953, requesting information regarding losses of the Commodity Credit Corporation and the manner in which the Corporation receives its funds.

The Commodity Credit Corporation is capitalized for \$100 million in capital stock owned by the United States and as of December 31, 1952, there was a deficit of \$179,959,760.89. A brief statement of the losses and appropriations, note cancellations, and repayments to the Treasury follows:

Net operating loss exclusive of wartime consumer subsidy..... \$1,128,999,783.32

Wartime consumer subsidy..... \$2,102,119,071.46

Total operating losses..... 3,231,118,854.78

Less:

Net restoration of capital from U. S. Treasury..... 2,494,919,661.78

Recovery from Secretary of Treasury—Public Laws 289 and 393, 80th Cong..... 56,239,432.11

Reserve for postwar price support of agriculture..... 500,000,000.00

Total recoveries..... 3,051,159,093.89  
Net deficit Dec. 31, 1952..... 179,959,760.89

The net operating loss of \$1,128,999,783, excluding the wartime consumer subsidy, reflects a net realized program loss of \$737,319,500, a net amount of \$158,813,865 in reserves for losses, and a net amount of \$232,866,418 for administrative expenses, interest, etc.

The following item-by-item reply to your specific questions will show the manner in which the Corporation has been reimbursed by the United States Treasury for such losses, as well as other funds which have been paid to the Corporation pursuant to specific legislation:

1. The paid-in capitalization of the Corporation is \$100,000,000 held by the United States.

2. As of December 31, 1952, the Corporation's books showed a deficit of \$179,959,760.39

3. Appropriations have been made to the Corporation as follows:

(a) For restoration of capital impairment pursuant to the act of March 8, 1938:

Appraisal of	Appropriation Act	Amount
Mar. 31, 1938	June 25, 1938 (52 Stat. 1114, 1148).....	\$94,285,404.73
Mar. 31, 1939	Aug. 9, 1939 (53 Stat. 1301, 1325).....	119,599,918.05
Mar. 31, 1941	July 3, 1941 (55 Stat. 451, 563).....	1,637,445.51
Mar. 31, 1943	Apr. 12, 1945 (59 Stat. 77, 90).....	256,764,881.04
Mar. 31, 1944	July 5, 1952 (66 Stat. 335, 354).....	109,391,154.00
June 30, 1951	Total appropriations for restoration of capital impairment.....	581,678,803.33

(b) Pursuant to the act of February 18, 1946 (Public Law 301, 79th Cong.), \$500 million was paid to the Corporation as a reserve for postwar price support of agriculture. Price-support losses during fiscal years 1947, 1948, and 1949 were charged against this reserve, thereby reducing the amounts required for restoration of capital impairment during those years.

4. Payments of surplus were made to the United States Treasury pursuant to the act of March 8, 1938, as follows:

Appraisal of	Date of payment	Amount
Mar. 31, 1940	June 1940.....	\$43,756,731.01
Mar. 31, 1942	June and September 1942.....	27,815,513.68
June 30, 1947	April 1948.....	17,693,492.14
June 30, 1948	June 1949.....	48,943,010.36
	Total payments of surplus to U. S. Treasury.....	138,208,747.19

5. Notes of the Corporation have been canceled by the United States Treasury as follows:



(a) For restoration of capital impairment pursuant to the act of March 8, 1938:

Appraisal of	Appropriation act	Amount
June 30, 1945	July 20, 1946 (60 Stat. 586, 593)	\$921,456,561.00
June 30, 1946	May 26, 1947 (61 Stat. 106)	
June 30, 1949	Sept. 6, 1950 (64 Stat. 595, 677)	641,832,080.64
June 30, 1950	Aug. 31, 1951 (65 Stat. 225, 245)	66,698,457.00
		421,462,507.00
Total notes canceled by U. S. Treasury for restoration of capital impairment		2,051,449,605.64

(b) Pursuant to Public Laws 389 and 393, 80th Congress, the Secretary of the Treasury was authorized to cancel notes of the Corporation in an amount not to exceed \$57,500,000 for costs of commodities furnished by the Corporation for foreign relief and assistance. During fiscal years 1948 and 1949, a total of \$56,239,432.11 of the Corporation's notes were canceled by the United States Treasury, thereby reducing the amounts required for restoration of capital impairment during those years.

*Summary of recoveries of losses through June 30, 1951*

Appropriations:	
Capital impairment	\$581,678,803.33
Reserve for postwar price support	500,000,000.00

Total appropriations	1,081,678,803.33
Deduct: payments to Treasury	-138,208,747.19

Note cancellations:	
Capital impairment	2,051,449,605.64
Foreign aid	56,239,432.11

Total note cancellations	2,107,689,037.74
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Total recoveries of losses from U. S. Treasury through June 30, 1951	3,051,159,093.89
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6. Section 32 funds are made available to the Department for the removal from the market of commodities in surplus supply. These funds do not accrue to the Corporation except to the extent that they are in payment for commodities purchased by section 32 from the Corporation. These purchases by section 32 are reflected as sales by the Corporation, and the funds go into the general funds of the Corporation together with funds derived from sales to all other private or governmental entities. The amount of sales to section 32 cannot be readily summarized as all sales to domestic purchasers are reported to Washington as a consolidated item. This information is obtainable from the field offices and can be secured if necessary, but this would involve a considerable expenditure of time and money.

7. Other funds which have accrued to the Corporation are as follows:

(a) Pursuant to the International Wheat Agreement Act of 1949, the United States has agreed to supply wheat or wheat products to participating nations at a specified price. The Corporation is utilized for this activity and is authorized to use its general borrowing authority to pay current obligations and to be repaid therefor from appropriations made specifically to cover the costs of the agreement. Following is a list of reimbursements to the Corporation and manner of reimbursement:

Program year	Appropriation act	Amount
1950	Public Law 135, 82d Cong., Aug. 31, 1951 (appropriation to the Secretary)	\$76,808,000
1951	Public Law 451, 82d Cong., July 5, 1952 (note cancellation)	182,162,250
	Total reimbursements for International Wheat Agreement	258,970,250

(b) Pursuant to Public Law 271, 80th Congress, approved July 30, 1947, and subsequent Department of Agriculture appropriation acts, funds of the Corporation have been transferred to the appropriation "Eradication of foot-and-mouth and other contagious diseases of animals and poultry." Following is a list of the reimbursements made to the Corporation and the manner of reimbursement:

Appropriation act:	Amount
Public Law 785, 81st Cong., June 25, 1948 (appropriation to the Secretary)	\$25,400,000
Public Law 343, 81st Cong., Oct. 10, 1949 (appropriation to the Secretary)	34,000,000
Public Law 135, 82d Cong., Aug. 31, 1951 (note cancellation)	32,700,000
Public Law 451, 82d Cong., July 5, 1952 (note cancellation)	11,240,532
Total reimbursements for transfers to eradication of foot-and-mouth disease	103,340,532

The reimbursements shown under this item are not included in the realized losses of the Corporation, as the intent of the respective legislation was that the Corporation would be reimbursed for any unrecovered costs under these activities.

(c) Section 391 (c) of the Agricultural Adjustment Act of 1938, as amended, required the Corporation to lend to the Secretary of Agriculture during each fiscal year, such sums, not to exceed \$50 million to make advances for the purchase of conservation materials from January 1 to June 30 of each year. Repayment to the Corporation is usually made during the succeeding fiscal year from funds appropriated to the Secretary for the conservation program. These loans and repayments are handled on the books of the Corporation through its usual loan accounts.

In addition to the foregoing, the Corporation has authority to borrow up to \$6,750 million from the Treasury and/or from private lending agencies. At December 31, 1952, \$2,800,778,475 of this borrowing authority was committed, leaving \$3,949,221,525 yet available.

The figures contained in this reply to your letter have been furnished by the Department of Agriculture.

Sincerely yours,

J. M. DODGE,  
Director.

EXECUTIVE OFFICE

OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D. C., March 16, 1953.

Hon. JOHN J. WILLIAMS,

United States Senate,

Washington, D. C.

MY DEAR SENATOR WILLIAMS: This has reference to your letter of March 5, 1953, regarding the funds available for section 32 programs and the expenditures of such funds. The answers to your questions are as follows:

1. "How much money has been made available to the Department of Agriculture during the past 20 years (broken down by years) under section 32?"

The surplus removal program, commonly known as section 32, was not authorized until August 24, 1935. For the fiscal years 1936 through 1953, however, a total of \$2,573,671,819 has been made available by (1) the permanent appropriation of an amount equal to 30 percent of customs receipts, and (2) various supplemental appropriations. In years prior to 1948, various portions of the annual appropriations remained unobligated at the end of the fiscal year for which they were originally available, and several of these unobligated balances, amounting to \$117,617,178, have been reappropriated.

An analysis of sources of funds, obligations, and disposition of balances for fiscal years 1936-54 is attached as schedule I.

2. "How much of these funds has been spent by the Department of Agriculture either through the Commodity Credit Corporation or by direct purchases during this same interval?"

For the fiscal years 1936 through 1952, a total of \$2,057,618,939 was obligated, and total expenditures would be approximately the same amount. Of this total, \$610,693,914 represents purchases of surplus commodities for direct distribution, \$104,627,120 for diversion of surplus commodities to new uses, \$260,131,250 for encouraging exports of surplus commodities, \$285,972,494 for the financing of various stamp plans, \$136,694,622 for the school-lunch and milk programs, \$57,224,648 for administrative expenses, \$41,239,560 for allotments and transfers to co-operating agencies, and \$561,035,331 for transfers to other uses authorized by legislative action. In addition to the foregoing, obligations for the fiscal year 1953 through January 31, 1953, have amounted to \$44,437,655, and expenditures for the same period were \$46,265,965.

An analysis showing obligations by projects, allotments and transfers, unobligated balances, and total funds available for fiscal years 1936-54 is attached as schedule II.

In regard to your question concerning assurance that section 32 funds are being spent in accordance with the law, before any section 32 programs are authorized, the proposal is thoroughly considered by the Department, the legality of the program is reviewed by the Office of the Solicitor, and a formal docket is prepared to authorize the program. Funds are then obligated under the standard obligation procedures, and the vouchers which authorize the actual expenditures of funds are, of course, audited by the General Accounting Office.

I regret that the information furnished in response to your previous letter did not meet your needs.

Sincerely yours,

Jos. M. DODGE,  
Director.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Is not what the Senator would like to do, to suspend the operation of the law?

Mr. WILLIAMS. Certainly not. I am not asking to suspend the operation of the law and you know it. I am only asking the Senator from Michigan and other Senators not to appropriate \$500 million for this agency when we do not know what the money is for. I am willing to appropriate the amount of money which the Senator from Michigan and other Members of the Senate can say represents so much loss on this or that



item. But neither the Senator from Michigan nor any else defending this bill can tell us what the \$400 million will be used for except it is proposed to write off an anticipated loss on commodities which in some instances have not even been purchased.

A few days ago a representative of the Department of Agriculture appearing before the Committee on Agriculture and Forestry insisted that the Department is going to get back all the money it loaned on corn. I do not believe it, but he insisted that it would. If it is expected that the Department will get back the money it loaned on corn, why are we writing off an anticipated loss of \$1,126 million? I say let us wait until the loss has been sustained, make them own the loss, and then write it off. Let us keep only one set of books. I do not like the dual bookkeeping system of the Department of Agriculture, which tells the American people that this program is costing but very little, and then asks us to write off losses of \$700 million in 1 year. Let us put a price tag on the program. If we are ashamed of it, let us vote accordingly on legislation to correct these losses.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. If we do not replace this loss, which is determined under the statute, we then suspend the operation of the Commodity Credit Corporation.

Mr. WILLIAMS. We do not do anything of the kind. Let us keep the record straight. This is the first time in 7 years that the Senate has been asked to consider the question in the month of January or February. It has always been done in July, August, or September. This is definitely not a question of closing the agency.

Mr. FERGUSON. The Corporation has never depleted its capital before during January or February.

Mr. WILLIAMS. If it has depleted its capital, then let us bring up in an orderly manner the bill providing increased borrowing authority.

There is not one statement in the law which says that this procedure should be taken to increase the borrowing authority of the Commodity Credit Corporation. Let us get that straight.

So far as the threat to close down the agency is concerned, I remember that a week ago last Friday Senators came to the floor of the Senate and quoted Department officials to the effect that if we did not pass the bill before 6 o'clock on Friday, the whole country would collapse—commodity exchanges would be closed. Yes; they said that Monday morning there would be a panic on the commodity exchanges. The Department threatened to send out telegrams suspending the entire program. Everything was going to fall around our ears if we did not pass the bill before sundown Friday, January 29.

Well, we did not pass it. The Department did not send out the telegrams, and the grain market is higher today than when we first started debating. Fortunately Congress did not click its heels merely because some former assistant to

Charlie Brannan told us that we must do his bidding within 24 hours or else.

Mr. FERGUSON. Is it not a fact that the Senator knew that this question was coming up yesterday, and the Senator wished to have it postponed until today?

Mr. WILLIAMS. I knew it was to come up yesterday. I believe the Senator from Michigan had something to do with having it go over until today.

Mr. FERGUSON. I wanted to give the Senator from Delaware an opportunity to be here and to get his arguments in the RECORD.

Mr. WILLIAMS. I told the Senator from Michigan on Friday that I would be here yesterday if the bill came up. I would have canceled my engagements.

Mr. FERGUSON. That is not until tomorrow.

Mr. WILLIAMS. This is the day on which the conference report on the bill is being considered, and I am here. I thought the Senator from Michigan arranged for the conference report to be taken up today, however, we are here now, so let us make our decision.

Mr. FERGUSON. I realize that to be so. However, what we are trying to do today is to pass legislation so that telegrams and notifications will not be sent out. The matter is being held in abeyance until we have an opportunity to vote the conference report up or down on the floor of the Senate.

Mr. WILLIAMS. I am perfectly willing to vote on the conference report today. Let us get that point straight for the record.

Mr. FERGUSON. I realize that to be so.

Mr. WILLIAMS. I told the Senator from Michigan that I was willing to vote on it, not yesterday, but last Monday, Tuesday, Wednesday, Thursday, or Friday. Nobody tried to bring it up during last week. Nobody got into any hurry about it until last Saturday.

Mr. President, we are not voting on the question of whether we should shut down the program, and I resent such implications. I will vote against the conference report. I will say further that if the conference report should be defeated and the Department in retaliation should send out the telegrams which have been referred to, I assure them that such action will be further discussed. To make such a threat merely because some of us want an accurate accounting of the money they spend is absurd. There is no more reason why they should hold that threat over us today than there was a week ago last Friday. I will repeat what I said then. If the telegrams are sent out, I want the persons who send them out to put their names on the telegrams so that the individuals responsible can be easily identified.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I am glad the Senator from Delaware has made that statement. I also agree that it is not necessary to send out any such telegrams. There was approximately \$4,173,000,000 actually borrowed from the Treasury as of November 30. The

amount had dropped to \$4,070,000,000 as of January 22. They had about a \$2½ billion leeway. To be sure, additional notes will come in and additional notes will go out, as is the case in any other financial institution. People borrow money and pay it back.

I do not believe that they would have to shut down the program and I do not believe we should get into any such discussion. The discussion should revolve around the question of whether we should go ahead and take care of the losses in the way now proposed, or whether we should send the report back to conference and say that losses should not be anticipated, because that is not a part of the law. Certainly there is room for argument on both sides of that question, but I do not believe anyone needs to send out any telegrams, and nobody should.

Mr. WILLIAMS. I agree with the Senator from New Mexico. I repeat there is another bill on the calendar providing for an increase in the borrowing authority of the Commodity Credit Corporation. I am perfectly willing to have the bill brought up for consideration immediately after we have disposed of the conference report if the majority leader so desires.

I am not trying to handicap the agency by depriving it of money with which to perform its functions as laid down in the law. However, we have no right to appropriate nearly \$500 million for which no accounting is rendered. That is my opinion. The Senator from Michigan may differ with me. I believe that by following the course suggested by me a clearer picture of the situation will be presented to the American people. I will not support, today or at any other time, any such irresponsible bookkeeping procedure as that which we are asked to approve in this conference report.

Mr. FERGUSON. I should like to tell the Senator from Delaware that the policy committee today has determined that the bill to increase the borrowing authority of the Commodity Credit Corporation has been set down as one of the bills which the majority leader will bring before the Senate at a very early date.

Mr. WILLIAMS. I wanted to keep the record straight. It is not the Senator from Delaware who wants the bill to be delayed. So far as I am concerned, it could have been considered 2 or 3 weeks ago.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. I do not want the record to stand as it is. I believe the Commodity Credit Corporation officials are honest men. They are out of money. I would have preferred to have followed the procedure of increasing the borrowing authority of the Commodity Credit Corporation; but the fact is that we are up against a difficult situation, because the bill to increase the borrowing authority cannot be enacted for some time. The House committee has not yet scheduled hearings on it. If we fail to adopt the conference report the Corporation will be in very bad shape.



It will be remembered that in 1931 the stocks of the Farm Board were ordered liquidated, and those stocks were dumped on an already overburdened market. It created serious, chaotic conditions. Similar conditions would be created if such a procedure were followed now.

Mr. WILLIAMS. There is no question that if the Commodity Credit Corporation were to dump its inventories on the market the market would be demoralized. No one has proposed that that be done. In the first place, the Corporation could not do it even if it wanted to; the law provides that the commodities must be supported and that certain procedures be followed. Conceivably, Congress could repeal the law. But in order to do it a bill would have to be introduced, and it would have to go to committee, be reported by the committee, and then it would have to be voted on and passed by both Houses.

Mr. YOUNG. What would happen to the commodity market if the CCC could not meet its commitments?

Mr. WILLIAMS. The same thing that would happen if the United States Government could not meet its commitments. The market would break, of course. But let us not put any imaginary "ifs" into a situation that cannot possibly happen as a result of any vote today. Let us consider the bill in an orderly fashion. The Senator from North Dakota was on the floor of the Senate last Friday a week ago when the alarmists came to the Hill and told us what would happen if we did not pass the bill by sundown. Well, we did not pass the bill at that time, the sun rose at the scheduled time the following morning, the tides on both the Atlantic and Pacific coasts kept their routine schedules, and the commodity markets were actually higher throughout the week.

Mr. YOUNG. We must remember that there was the problem of getting a conference with the House, which has now been done.

Mr. WILLIAMS. The world has kept moving along while we were waiting for the conference to meet, and the world will continue to move along regardless of what we do this afternoon.

Mr. DIRKSEN. Mr. President, I see on the floor the chairman of the legislative Committee on Agriculture. I hope the discussion on the floor will not be lost. I recall distinctly when the Commodity Credit Corporation was created. Every year thereafter we had a good deal of controversy on the floor of the House of Representatives when it came time to repair the capital structure. I can say that as a fact because I was a participant. I suppose I scolded about it as much as anyone.

When I came to the Senate in 1951, I believe one of the first discussions I encountered was on the question of the Commodity Credit Corporation. The same thing occurred in 1952, and again in 1953; and now in 1954 we are considering the question again. The law of 1938 goes merrily along.

It occurs to me that, since my good friend from Delaware is on the Committee on Agriculture, and since the chairman of the committee is present today,

if we are going to avoid this kind of discussion and this kind of difficulty in the next fiscal year, it would be well for the Committee on Agriculture and Forestry to give serious attention to a modification of the language of the 1938 act, in order to make it specific. Then if anyone wishes to introduce new methods of bookkeeping, it is perfectly all right with me. I shall certainly give my support to the conference report today.

Mr. AIKEN rose.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Illinois yield to the Senator from Vermont?

Mr. DIRKSEN. I yield.

Mr. AIKEN. Mr. President, regardless of whether the law of 1938 requires the writing off of anticipated losses in this manner, and regardless of whether the officials of the Commodity Credit Corporation have been complying fully with the law for the past 15 years, the fact remains that to conduct a farm price-support program of the magnitude of that which we now have money is required, and the Commodity Credit Corporation does not have the money to go on any longer. It is true that it continued after it was practically out of funds a week ago, but it is also true that the debate on the Senate floor pretty nearly instructed them to do so. How long they can continue remains to be seen.

If we approve the conference report they will then have money enough to carry them through the first week in March. Before that time we shall have to take up the bill to increase their borrowing authority on which they have requested action. That would give them \$1,750,000,000 more. We do not know how long that will carry them. They are making loans at the rate of approximately \$100 million a week at the present time. I think their income is approximately about \$15 million a week. I fully expect that the representatives of the Commodity Credit Corporation will have to come before the Congress before the first of July to request additional funds. But the fact remains that they need money at this time. Whether this is the proper way to give it to them is something we can debate indefinitely, but they have to have some money. The law requires them to make loans, but I do not think they can continue to make them without money. Unless money is provided they will be in the unhappy position of violating the law. I do not think we should ask Government agencies to do that.

As to the entire cost of the program, it has been said that we will lose two or three billion dollars this year. We shall probably have to write off at least \$3 billion if we set aside commodities as requested by the President. I think it is better to write off the losses now than to go on with losses of \$1 billion or \$2 billion a year indefinitely.

I hope the Congress will look favorably upon the program set forth by President Eisenhower, because I think it points a way out of our dilemma. In fact, if it is once put into effect, I anticipate the cost of maintaining a prosperous agriculture

in the United States will not exceed \$500 million a year, which would be a very cheap price to pay for the maintenance of a prosperous agriculture and a prosperous national economy, which agriculture helps to sustain.

I hope the Senate will approve the conference report. In my opinion, there is an emergency, and failure to approve the report could create lack of confidence in Government and in the Congress. The people on the farms who raise the wheat, the milk, the butter, the cotton, are not responsible for their situation. We cannot let them down.

Whether we think the officials of the Commodity Credit Corporation have been right or wrong over the years, it is true they would suffer somewhat, but the 2 or 3 million persons who have put their commodities in loans or who expect to put them in loans in order that prices may be maintained, would suffer the most.

Mr. President, I think we must retain the confidence of the people of the country, and develop a program which will not get us into this situation again, if it is humanly possible to do so and if we can get the necessary funds. I think we can, because I believe we have got to do it.

Let us permit the Commodity Credit Corporation to have some money to go on with. It will last them only 5 weeks. We must do something before that time has expired. Even though the Senate passes the bill providing for an increase in borrowing authority, there is little likelihood that it will get through the House before the first of March. The House Committee on Banking and Currency insists that they are going to hold hearings on it. Therefore, we cannot expect it to be passed overnight.

Whether this is the right or wrong way, Mr. President—and I agree with a great deal of what has been said by my colleagues from Delaware and New Mexico—we cannot lose the confidence of all the people who are doing business with the Commodity Credit Corporation and let them think Congress is not going to honor its commitments.

Mr. HOLLAND. Mr. President, I should like to address myself briefly to the reasons why I think it would be unwise for the Senate to approve this conference report at this time. I fully agree with the theme of the able address which has just been made by the chairman of the Senate Committee on Agriculture and Forestry [Mr. AIKEN], to the effect that the major value which should be in mind at this time is the retention of confidence in the Commodity Credit Corporation by all the people of the country. I am keenly anxious to retain the confidence of the people though I sense the fact that it has already been greatly impaired.

I hope the distinguished Senator from Michigan [Mr. FERGUSON] will not leave the Chamber, because I am going to address myself, in a moment or two, to an argument which he made and which I think is unsound.

Mr. President, it seems to me that if we are going to try to retain the confidence of the general public in the Com-



modity Credit Corporation—which, after all, is only an agency created for the purpose of carrying out laws which Congress has passed—and in the entire price support program, we must be very careful about doing things, such as I believe this conference report will do, which will not commend themselves to the reasonable business judgment of citizens throughout the country and to the good judgment of men and women in the agricultural industries which are so vitally affected.

First, Mr. President, I wish to dwell a moment on the point ably made by the distinguished Senator from Michigan and the distinguished Senator from Illinois to the effect that they believe the methods followed in writing down the inventory on milk products are sound. I do not concur in their conclusion.

Mr. FERGUSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. In a moment.

Despite the faith I have in not only the integrity but in the professional skill of those two able Senators, I do not agree with them, and I desire to state briefly, if I may, why I do not agree. I shall then be very glad to yield for questions.

The statute under which this annual inventory is made was enacted in 1938. It has been correctly quoted by both the distinguished Senators whom I have mentioned, and I quote from it again briefly:

The value of assets shall be determined on the basis of the cost of such assets to the Commodity Credit Corporation, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lowest.

Mr. President, it is obvious that the value of the investment which the Nation has in this huge surplus would not be a reasonable basis upon which to value the inventory at the end of 1953, because already it seems as though we have amassed all the surplus we can possibly take care of. Since that time, as Senators know, the surplus has greatly increased in volume and in value of investment. So the whole situation has become somewhat of a national scandal and somewhat of a source of trouble and concern to every person who is vitally interested in the price-support structure.

It is clear that the Treasury and the Commodity Credit Corporation were given a choice between two values: That is, either the basis of the investment made, or the basis of the average market price of the assets during the last month of the fiscal year covered by the appraisal. It is the fact that the various elements which were put into the average market price of the commodity during the month of June 1953, were figured by methods which I think make it depart clearly from any reasonable rule or any reasonable theory upon which either the distinguished Senator from Michigan [Mr. FERGUSON] or the distinguished Senator from Illinois [Mr. DIRKSEN] would, for a moment, hazard their professional skill if they were advising a private client or if they were handling their own money. I know perfectly well

that they would want to be just as careful and just as keenly professional, and even more so, in their consideration of the facts with respect to this matter, as if they were advising a private client or were handling their own money. I think they will clearly remember, since they put into the record the basis which the appraisal on butter was made, that the methods followed do not commend themselves to any reasonable person as being fair, but that, to the contrary, those very methods, if continued and approved by Congress, can be used in any June, in any last month of any fiscal year, in such

a way as to juggle the inventory values between very high levels and very low levels, whichever seems at that time to be the appropriate level in the judgment of the officials of the Commodity Credit Corporation or of the Treasury Department.

Mr. President, I ask that I may have printed in the RECORD at this point a chart prepared by the Treasury Department, showing the basis upon which butter was valued, and its inventory.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

*Development of unit prices for appraisal of dairy products, June 30, 1953*

I. BUTTER

	Quantities	Average unit price	Amount
	Thousands of pounds	Per pound	Thousands
1. Sales used as guide to unit prices:			
Commercial sales.....	3,694	\$0.6686	\$2,470
United States Army sales.....	15,034	.15	2,255
Sec. 32 sales.....	70,790	.6686	47,336
Donations.....	28,354		
Total.....	117,872	.4417	52,061
Less: Sales through June 30, 1953 <sup>1</sup> .....	23,637	.6566	15,521
Sales June 30 through Dec. 11, 1953.....	94,235	.3878	36,540
2. Application of average unit price to inventory of June 30, 1953:			
Inventory.....	231,034	.3878	89,595
Contracts to purchase.....	15,213	.3878	9,066
Total.....	246,247	.3878	98,661
3. Effect on appropriation (or cancellation of notes) estimates:			
Cost of inventory of butter.....			169,702
Less: Appraised value.....			98,661
Reduction in inventory value.....			71,041
Add losses on sales during 1953.....			456
Total appraisal and operating loss.....			71,497

<sup>1</sup> The appraisal committee has not yet made a determination that this item should be excluded from the computation of the average price.

<sup>2</sup> The only June price for foreign butter exported (Denmark) was 42 cents per pound. After considering the cost of packaging and transportation from the United States to the European markets, the selling price in the United States would be about 37 cents.

1952 cash receipts from commodities on which direct price support programs were in effect in 1953

BASIC COMMODITIES

	Cash receipts 1952 (million dollars)
1. Cotton lint.....	2,609
2. Wheat.....	2,147
3. Corn.....	1,136
4. Tobacco.....	1,086
5. Rice.....	301
6. Peanuts.....	144
Subtotal.....	7,423

DESIGNATED NONBASIC  
COMMODITIES

7. Dairy products <sup>1</sup> .....	4,554
8. Wool.....	118
9. Mohair.....	12
10. Tung nuts.....	10
11. Honey.....	( <sup>2</sup> )
Subtotal.....	4,694

OTHER NONBASIC COMMODITIES

12. Soybeans.....	778
13. Cottonseed.....	389
14. Oats.....	243
15. Barley.....	180
16. Dry edible beans.....	123
17. Flaxseed.....	118
18. Sorghum grain.....	97
19. Rye.....	20
20. hairy vetch seed.....	7
21. Common rye grass seed.....	6

1952 cash receipts from commodities on which direct price support programs were in effect in 1953—Continued

	Cash receipts 1952 (million dollars)
22. Crimson cloverseed.....	4
23. Wild winter peas.....	1
24. Naval stores.....	( <sup>2</sup> )
Subtotal.....	1,971
Total.....	14,083

Cash receipts from all farm marketings.....	32,373
Cash receipts of supported commodities as percent of cash receipts for all commodities.....	43.5

<sup>1</sup> Support extended directly to milk for manufacturing only.

<sup>2</sup> While the price of this commodity is supported, no data are available on cash receipts.

Mr. HOLLAND. Mr. President, I call attention to the fact that there are indicated two elements which I believe no attorney could justify. I believe no Member of the Senate or of the House would want to approve of them being available in any June of any year, and making possible such great manipulation as to afford a greatly changed inventory value of any perishable com-



modity at the end of June, which is the end of the fiscal year.

The first of the typical items, Mr. President, is an item for United States Army sales, which is unexplained, so far as a reading of the two records of the hearings is concerned, or a reading of any of the papers which have been submitted to the Senator from Florida is concerned. I have asked the staff of the Committee on Appropriations—and it is an able staff—to get the information, and I am certain they have endeavored to comply with my request in every way.

In the information furnished, the first of the questionable items is the sale, presumably during June 1953, of surplus butter to the Army in the amount of 15,034,000 pounds, at an average price of 15 cents a pound. It is not clear, and it is not stated, whether that kind of sale is made in each of the 11 months of the fiscal year. It is not clear, and it is not stated, whether it is an average of the sales prices of butter to the Army during the entire fiscal year. It is simply stated that in the computation of the average price per pound of butter, which would apply to the inventory butter on hand at the end of June, there was to be figured, along with the sales at the full price of 67 cents, or nearly that, the delivery or sale of 15,034,000 pounds of butter to the United States Army at 15 cents a pound.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I promised to yield first to the Senator from Michigan [Mr. FERGUSON], before yielding to any other Senator. I hope the Senator from Vermont will allow me to complete my second remark, to show the type of unsound accounting items contained in the report, in order that he may understand why I am so brash as to differ with the distinguished Senator from Michigan in the expression of his legal judgment.

The second item which is figured in the report is an outright donation of 28,354,000 pounds of butter, presumably made in the month of June, for which no value whatever was received.

Can it truthfully be said that the average sales price of butter prevailing in the month of June 1953 can be arrived at by a process whereby, with total net sales of 94 million pounds, more than 43 million pounds were of the type I have mentioned, namely, in excess of 15 million pounds to the Army at 15 cents a pound, and a large quantity in donations? It is not stated to whom it was donated, but presumably to school-lunch programs or, perhaps, to penal institutions. If the average market price of this important commodity can be figured properly by including two such items as these, then I say the sky is the limit, because any large delivery to the Army could easily be postponed until June. I am not making any charge whatsoever that that was done in this case. Likewise any large deliveries of surplus to the various donees who are approved by the law could be delayed until the last month of the fiscal year, so as to run down to absurdly low figures—and I think that is what the result is in

this case, whether so meant or not—the inventory prices which are arrived at for butter.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. What the Senator from Michigan was saying was that he felt that the law required the appraisal, and when the Treasury made the appraisal, they had to try to ascertain all the factors of distribution. I think what was done naturally could not be allowed, so far as private corporations are concerned, for tax purposes. Nevertheless the statute required an appraisal of the butter.

It is true that two sales were made to the military at 15 cents a pound. I think the butter that was given away with no price charged at all went to eleemosynary institutions or to the school lunch programs, as the case may have been, as provided by statute.

As I see it, the difficulty is that the Commodity Credit Corporation was faced with a very difficult problem. It had all the butter in storage. It was compelled by law, or permitted by law, whichever side of the coin the Senator wishes to choose, to purchase butter. Some persons say that was discretionary with the Secretary of Agriculture and not mandatory. Others feel that, under the circumstances, it was mandatory. But to try to arrive at the value of that butter during that month was very difficult.

So far as losses to the Government are concerned, I do not think anyone will be able to determine actual losses until every pound of butter shall have been disposed of in some way or other. Therefore, the determination of the loss for the month indicated was believed to make a basis for the loss which might be sustained in the future. But should the loss not be so great, and should it be proved next June that the butter is worth more than the amount paid for it, the Government will lose no money by the operation, but, the Corporation will have been permitted to use some of the money to buy additional commodities. I can see some objections to permitting the Commodity Credit Corporation, by virtue of appraising the commodities at a low figure, to have more money with which to purchase butter and other commodities.

As I have said, I can see some objections to a method of permitting the Commodity Credit Corporation, by virtue of appraising commodities at a lower figure, to have more money with which to purchase butter and other products.

If objection is made on that basis, I can see the validity of such an objection. But, in the same breath, we are asked, in a bill which has been reported by the Committee on Agriculture and Forestry, to increase the borrowing power of the Commodity Credit Corporation by \$1½ billion. Therefore, the amount by which they will benefit by this bill will be small as compared to the overall amount which they are asking to be permitted to borrow again and to use.

I heard an explanation from a representative of the Treasury Department as

to how the figure was arrived at. I merely wish to say at this point that I think what was done was legal, but I hope the practice will never be extended to the operations of any private corporation.

Mr. HOLLAND. I thank the distinguished Senator from Michigan for conceding, by implication at least, that the method followed in this case is not a method which would be countenanced for a moment in private accounting or in legal accounting, from the standpoint of meeting tax obligations or from any other standpoint except the particular one used in this case, in which the Senator from Michigan feels it is appropriate, though he concedes it is of a highly questionable nature.

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. I wish to say that is what we must bear in mind when we come to vote in this particular case.

Mr. HOLLAND. Mr. President, right there is where I differ with the distinguished Senator from Michigan, because it seems to me that by voting our approval of this type of accounting—and, so far as we know, it is the first time when this precise type of accounting has been used—we not only give it validity, and say we approve that type of accounting in the management of Federal affairs, but we say in so many words it is too unreasonable to be used or approved for private purposes, or for tax purposes, or for any other purposes. We encourage the use of that procedure for the future, and then, what is of the greatest importance, we do it without knowing whether or not the sales to the United States Army and the donations referred to were allowed to pile up so as to be used in the month of June in order to accomplish the particular objective sought to be accomplished. I have heard nobody give us any explanation regarding that matter.

Mr. YOUNG. Mr. President, if the Senator will yield, I shall be glad to answer his question.

Mr. HOLLAND. I have not asked the Senator from North Dakota a question, but I am glad to yield to him in order to hear the answer.

Mr. YOUNG. The sale of the butter to the Army was based on the price being paid for oleomargarine. It was a negotiated sale. The Army was buying oleomargarine at a price of 15 cents a pound.

If the Senator from Florida will permit me, I should like to have printed in the RECORD at this point the names of the officials of the Review Committee of the Treasury Department, who determine the figures or estimates. The members are the same persons who have been on the committee for many years. Exactly the same procedure has always been followed. I do not understand why the question should be raised at this time as to the legality or propriety of the procedure.

The PRESIDING OFFICER. Is there objection?



There being no objection, the list was ordered to be printed in the RECORD, as follows:

The following is the Review Committee at the Treasury Department which determines CCC losses. It has been the same since 1946:

Nathaniel Royal, auditor at the RFC.

J. C. Cooper, Office of Budget and Finance at Agriculture.

Edward Bartelt, Fiscal Assistant Secretary of the Treasury Department.

Robert Maxwell, Commissioner of Accounts at the Treasury Department.

Mr. HOLLAND. Does the Senator from North Dakota mean to have the Senate understand that the purchase of butter by the Army in the method described by the Senator applied not only in the month of June 1953, but to each of the other 11 months of the year?

Mr. YOUNG. It was a negotiated sale. As I understand, it was one sale, which took place over a period of months.

Mr. HOLLAND. If the Senator is saying that just one sale of that kind was made in the course of the year, then I think he is giving validity to my point that it was not a typical method at all, but a method completely not typical, whereby butter was sold at a price much lower than normal, a price of 15 cents as compared with 67 cents a pound, which is less than one-fourth, or about two-ninths, of the normal price. Yet such a sale is allowed to be considered as a sale in June in the overall figures, without our having any information to the effect that such sales regularly are made during the year. By adopting this report we would be giving our approval to allowing the Army's needs to pile up and to be met in 1 month of the fiscal year in such a way as to very greatly cut down the average price to be given to the commodity affected, in this case butter, at the very time when the inventory was being taken, with the purpose not only of establishing what the fiscal situation of the Commodity Credit Corporation was, but for the additional purpose of asking the Congress of the United States to cancel obligations and to restore enough financial ability as to allow the Commodity Credit Corporation to handle their loans.

If I am the only Senator who will vote against the report, I intend to do so, because I do not think we should give that kind of approval, and that kind of encouragement, to a method which even the able Senator from Michigan admits, by implication, could not be approved for any other purposes or for any other type of business except this.

I desire to bring out one more point, because I should like to get the idea of the distinguished Senator from North Dakota on it. In passing I wish to say for the RECORD that the Senator from North Dakota has been as diligent in fighting for agriculture as has any other Member of the Senate. I certainly respect his position.

I ask the Senator if he realized that by permitting the sale of butter to the Army at 15 cents a pound, and allowing butter to be given away for nothing, to the amount of over 28 million pounds in the 1 month of June, we are charging

that expense to the agricultural program instead of to the General Treasury or to the general coffers of the Nation. It is going to be charged off. It is one of the things which has been written off. There is no value to come back from more than 28 million pounds donated to someone. Will it be sound bookkeeping to say later that such value was restored? It puts the part of agriculture in the Nation which is covered by the price-support program in the position of having made, out of its price-support funds, a huge donation, which, if justified at all, should be a donation made by the Nation as a whole. I do not see how any Senator could come to any other conclusion than that.

If we are justified in making donations—and I say we are—and I have voted for donations to eleemosynary institutions and for the school-lunch programs, we should make them a charge against all the people of the Nation, and not allow them to be added as an item to reduce the inventory of the assets of the Commodity Credit Corporation. Such an item should be charged so as to appear, as a cost against the whole Nation, and not as a cost against that part of agriculture which has the benefit of the price-support program. I do not think it is right and I do not think it is to the interest of agriculture to have that done.

When the distinguished Senator from North Dakota addresses his next question to me, for which I shall be glad to yield to him, I hope he will give consideration to that particular aspect of the matter. It seems to me that this kind of bookkeeping does a disservice to agriculture, and enters against agriculture a cost for the price-support program which should not be entered, because it is not the butter or the dairy producers who make the grant; it is the Congress of the United States, speaking for all the people of the Nation. Yet, under this form of bookkeeping, it would be entered, as a charge against the assets of the Commodity Credit Corporation, just as would a loss due to spoilage, just as would other reductions in inventories due to diminished prices.

So far as I am concerned, I do not believe it is either fair or in the interest of agriculture to approve a kind of bookkeeping which would allow that sort of result.

Mr. YOUNG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. YOUNG. I would agree with the Senator from Florida—who, let me say also, has been a very good friend of agriculture, in my opinion.

Mr. HOLLAND. I thank the Senator from North Dakota.

Mr. YOUNG. We happen to hold different views on some matters; but the Senator from Florida is as entitled to his views as I am entitled to mine.

I prefer not to see these losses charged to the price-support program.

Mr. HOLLAND. Then the Senator from North Dakota agrees with me that the loss is charged to the price-support program, does he?

Mr. YOUNG. Yes. But that is according to the law.

I think the appraisal by the Corporation of the value of the butter may be somewhere near correct. Last June the world price of butter was apparently approximately 42 cents a pound. It would cost perhaps 3 or 4 cents a pound to package and ship butter abroad. So their average price of 38 cents a pound for butter in the United States was approximately the world price.

Perhaps more than that amount will be realized for the butter; but if that occurs, the Commodity Credit Corporation will be given credit for it next year.

Mr. HOLLAND. Does the Senator from North Dakota mean there is to be any "tomorrow" in the case of the 28,354,000 pounds of butter which have been delivered, from the surplus supplies which have been built up through the operations of the price-support program, to the various donees in the United States or elsewhere? Is not that butter gone; and is it proper to charge it to the price-support program, as is done in this instance?

Mr. YOUNG. So far as the Treasury Department is concerned, it cannot do any differently; it has to charge it to the impairment of the capital structure of the Commodity Credit Corporation.

Mr. HOLLAND. But Congress can adopt a different attitude, one more friendly and one fairer to agriculture. Of course, the Treasury Department is a banker and a bookkeeper, and it is trying to keep correctly portrayed the items of the transaction of the business of this agency of the Government, namely, the Commodity Credit Corporation, and its program.

However, Congress created the Corporation and its program. Is Congress going to admit that when it prescribed that one of the two methods which should be followed was to fix the average market price of the assets during the last month of the fiscal year, Congress intended that great quantities of the commodity could be delivered for nothing to donees, and then that volume could enter into the total amount sold, so as to bring down the average price; or that great quantities could be sold to the Army—which, incidentally, has paid, many times, full value for butter, to the Commodity Credit Corporation, as I am informed and believe. Is it the right thing for us in Congress, after Congress set up the program, now to take a position which would indicate to all who read from now on that we intended from the very beginning that this very foolish and irresponsible thing could be done?

Any other Member of the Senate who desires to vote for the conference report may do so; but I do not think Congress ever intended that to be done—either now or heretofore; and I do not think that this kind of transaction or program has ever been rushed through before. On the contrary, it has come to us as a feature of the Department of Agriculture appropriation bill, with ample time for us to study it.

I repeat what one of my colleagues said on Friday a week ago, I believe, namely, that we were told that if we did



not pass the bill "as was," at that particular time, 3,000 telegrams would be sent all over the United States, to break down the confidence of the agricultural producers in every agricultural county, in their Congress, and in the solvency of their price-support structure. Mr. President, that has not been done. It was not necessary to be done. It is not necessary to be done now.

As a matter of fact, the committee of conference brought back some value from the conference, because even in conference it was agreed that there were several commodities which were so loosely handled in the entire accounting that they could not be included; and they were excluded, as I understand.

Mr. YOUNG. Mr. President, will the Senator from Florida yield at this point? The statement he has just made is not a fair one.

Mr. HOLLAND. I shall be glad to yield to my friend, the Senator from North Dakota, if I do not correctly understand the situation. However, as I understand, approximately \$100 million worth of the commodities which were written off in the inventory were kept written off in the conference.

Mr. YOUNG. Mr. President, will the Senator from Florida yield at this point?

Mr. HOLLAND. I yield.

Mr. YOUNG. The only reason why action was postponed in writing off the losses in the case of dried milk and tobacco was to give our good friends, the Senator from Delaware [Mr. WILLIAMS], the Senator from Florida [Mr. HOLLAND], the Senator from New Mexico [Mr. ANDERSON], and other Senators, 2 or 3 months more to study the figures and to ascertain what, if anything, was wrong with them. In other words, we simply postponed the consideration of that part of the transaction.

The Commodity Credit Corporation arrives at its figures, each month, for the value of the commodities; but the Treasury arrives at such figures once a year.

Probably it would be far worse if the Treasury Department estimated the value of the butter at 50 cents a pound, and if next year we found that the Corporation was able to salvage only 5 or 10 cents a pound from the butter. In that event I think the Corporation would be subject to far more valid criticism, rather than if a realistic value had been arrived at in appraising the value of the butter, as has been done.

Mr. HOLLAND. They may have reached a realistic value, but they have followed steps which I cannot approve, because two or three of those steps cannot appeal to the reason of any citizen, in my opinion. It is not a sale at the marketplace, a sale which would help fix the market price for that month, when our Government delivers to another branch of the Government an immense amount of butter at 15 cents a pound, which is approximately two-ninths of the purchase price. That is not a sale in the marketplace. The other branch of the Government did not buy it, nor did the Commodity Credit Corporation find a

purchaser. The butter was simply moved from one Government warehouse to another, and a bookkeeping operation was engaged in.

I say it is not proper to penalize, by such an operation, the agricultural industries of the Nation; and I do not believe it was intended by Congress to be done in that way. I do not think we should, by an approving vote now, indicate that we thought Congress intended to have the matter handled in that way.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. ANDERSON. I wonder whether the attention of the Senator from Florida has been called to the report of the appraisal committee, as of June 30, 1953, on dairy products. I call his attention to the following:

The Corporation's selling experience in marketing surplus supplies of dairy products indicates that the appraisal of inventories at market quotations would result in a considerable overstatement of the asset values. To reflect values believed more nearly realizable than market price, the inventories were appraised as follows: after marketing allowances for donation commitments, allocations to the school lunch program, and the Defense Department sales contracts, the remaining quantities in inventory were valued at the average price realized by the Corporation for stocks disposed of through December 11, 1953.

The law is very plain. The Senator from Florida has been quoting it. It calls for the values as of June 30, 1953, and there is not a line of authority to permit the Treasury Department to begin making use of the values of supplies of the commodity "disposed of through December 11, 1953."

I am glad the Senator from Florida is bringing out this point. I think the dairy farmers are getting an awful stab in connection with this matter.

I say very clearly that I do not believe that in rushing to get the money for the Commodity Credit Corporation, we should do this damage to the dairy farmers. On the contrary, we should realize that the very language of the report of the appraisal committee reads, in part:

To reflect values believed more nearly realizable than market price.

The law says the appraisal of inventory shall be made at either the cost or the market price. On the other hand, here we have a report which states that they did not use either the cost or the market price. However, under the law, nothing else can be done; the representative of the Treasury Department who sits with the representative of the Commodity Credit Corporation is required by law to do 1 of 2 things: He must use either the cost price or the market price.

However, in the face of that requirement, we have their own statement that "to reflect values believed more nearly realizable than market price," something else was done.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico.

Mr. President, if anything further were needed to make it clear that the methods followed in this case are not only unfair and unreasonable, but also are, in fact, not in accord with the law, it is the statement of the Treasury Department's officials or, at least, of the members of the Treasury's committee, who admit that in fixing this value, they were attempting to fix a value nearer what in their opinion they believed would be a fair price, instead of following either of the two criteria prescribed by law, namely, either the purchase price or the market price in the last month of the fiscal year 1953.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. As I understood the Senator, a little earlier he was raising the point that in the disposition of some of these commodities, either to the Army or to other agencies, a charge was made against the agricultural funds. I ask the distinguished Senator from Florida this question: If the butter should turn rancid and no longer be fit for human consumption, to whom would the loss be charged?

Mr. HOLLAND. I am glad the Senator has raised that question, because the same point occurred to the Senator from Florida, and he requested the clerk of the Appropriations Committee to obtain from the Commodity Credit Corporation information as to how important a place in this entire picture was played by spoilage, that is, by physical deterioration. The Senator from Florida has a prepared statement supplied to him by the clerk of the Appropriations Committee, coming from the Commodity Credit Corporation, which he asks to have printed in the RECORD at this point as a part of his remarks, together with a table, following which the Senator from Florida hopes to make some observations upon the subject.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

#### LOSSES DUE TO SPOILAGE OR DETERIORATION

The CCC accounting records reflect losses sustained in connection with commodity inventories when the commodities are sold or otherwise removed from CCC inventory. Such losses are classified as (1) losses on sales or (2) inventory adjustments.

The estimated amount of additional losses which will be sustained upon ultimate disposition of commodities remaining in inventory is reflected in CCC financial statements by establishing reserves for inventory losses. Although the age of commodities in inventory and their general condition are factors which are considered in estimating the ultimate sales value for the purpose of establishing reserves, the amounts of the reserves to a larger degree reflect the excess of support price plus carrying charges over the estimated ultimate sales value of sound commodities. It is the policy of CCC to dispose of commodities which are spoiled or deteriorated as soon as their condition becomes known; therefore, it is unlikely that a large quantity of spoiled or deteriorated commodities remains in inventory at any particular time. The reserve for losses on corn estab-



lished at June 30, 1953, included \$3,111,614.22, representing estimated shrinkage of corn stored in CCC bins, computed at the rate of 1 percent.

During the fiscal year ended June 30, 1953, sales of commodities were classified as (1) export, (2) domestic, and (3) domestic-salvage. The classification "domestic-salvage" was intended to cover commodities which had been damaged in storage or had spoiled or deteriorated to a degree that they had only nominal value. Sales of commodities which had suffered reductions in grade while in storage were generally classified as "domestic" sales, together with sales of commodities which had suffered no grade reduction. The quantities reported as "domestic-salvage" sales were not large. The information so reported was deemed to have questionable value and was not tabulated currently; however, it can be obtained from reports available in Washington.

Inventory adjustments were recorded during 1953 to reflect shrinkage of inventories in CCC-owned bins as follows:

	Total quantity stored in the sites	Shrinkage
Corn.....bushels..	34,467,736.40	664,251.42
Wheat.....do.....	1,588,415.30	4,476.00
Soybeans.....do.....	537.58	13.33
Oats.....do.....	28,904.05	20.72
Rye.....do.....	3,097.46	128.41
Barley.....do.....	735,002.46	6,373.15
Grain sorghum.....do.....		
Flaxseed.....bushels..	367,989.88	3,970.08
Clover (hay and pasture seed).....pounds..	3,032.07	47.71
Grasses (hay and pasture seed).....pounds..	658,350.00	550.00
	2,184.00	1,464.00

The above information represents shrinkage in CCC storage sites from which all the commodity was removed during 1953. The shrinkage occurred over a period of 3 or 4 years in most cases. Additional shrinkage in sites which have not been emptied was estimated and included in the inventory reserve at June 30, as explained above. Other inventory adjustments during 1953 resulted mainly from transit losses.

Because of the interest in inventory losses indicated by members of congressional committees during 1952, the reporting procedures were revised at July 1, 1953, to require separate accounting and reporting for sales of deteriorated commodities and for inventory adjustments due to shrinkage or spoilage. The results have been tabulated for the months of July through November 1953 and are presented in a separate statement. It should be noted that the amount of loss reflected in the statement represents the average inventory cost of the commodities, less any proceeds of sales. Average inventory cost is computed, insofar as practicable, on the basis of accumulated costs for the commodity acquired from a particular crop, generally without regard to grade or quality. No attempt is made to obtain a precise measurement of the actual gain or loss on individual transactions, but rather the objective is to obtain reasonably accurate measurement of the total gain or loss on inventory operations with respect to each commodity.

*Commodity Stabilization Service, Commodity Credit Corporation—Losses resulting from sales of deteriorated commodities and inventory losses due to shrinkage and spoilage, fiscal year 1954 through Nov. 30, 1953*

Commodity	Unit	Deteriorated				Shrinkage and spoilage		Total loss
		Quantity	Cost	Proceeds	Loss	Quantity	Loss (cost)	
Corn.....	Bushels.....	8,477,654	\$15,526,022.82	\$11,193,329.80	\$4,332,693.02	343,947	\$608,404.77	\$4,941,097.79
Rice, rough.....	Hundredweight.....					33	190.04	190.04
Wheat.....	Bushels.....	254,935	519,879.15	450,040.27	69,838.88	18,623	84,973.60	154,812.48
Wool.....	Pounds.....					146,592		
Barley.....	Bushels.....	286	356.66	248.85	107.81	1,534	1,920.46	2,028.27
Beans, dry edible.....	Hundredweight.....	596	5,529.91	426.65	5,103.26	2,996	26,005.44	31,108.70
Cottonseed oil, refined.....	Pounds.....					3,702	683.16	683.16
Cotton linters.....	do.....	5,162	505.64	264.71	240.93	1,300	126.98	213.95
Flaxseed.....	Bushels.....					10,323	40,496.77	40,496.77
Grain sorghum.....	Hundredweight.....	1,822	11,994.43	13,182.07	1,187.64		.26	1,187.90
Oats.....	Bushels.....	31,323	27,358.04	20,376.61	6,981.43	1,549	1,208.71	8,190.14
Alfalfa (hay and pasture).....	Pounds.....					2	.56	.56
Clover (hay and pasture).....	do.....					451	132.77	132.77
Grasses (hay and pasture).....	do.....					12	2.40	2.40
Vetches (winter cover crop).....	do.....					19,754	2,091.67	2,091.67
Soybeans.....	Bushels.....	22,440	60,745.76	53,045.05	7,700.71	1	4.38	7,705.09
Corn (emergency feed program).....	do.....					555	819.36	819.36
Total.....			16,138,403.55	11,714,549.87	4,423,853.68		766,907.37	5,190,761.05

<sup>1</sup> Adjustment of prior fiscal year transaction.

Mr. KNOWLAND. Mr. President, if the Senator from Florida will further yield, I should like to say that in a number of discussions at the White House relative to the entire agricultural program, President Eisenhower has made it very clear that he would consider it nothing short of criminal if this great country of ours, with its huge productive capacity, had to start destroying food. He would be absolutely opposed to the destruction of food while there are people here and elsewhere without adequate supplies of it. Certainly he would not support any program which would entail the burning or dumping of foodstuffs, or making them unusable for human consumption.

The distinguished Senator from Florida is a member of the Committee on Agriculture and Forestry. He has a deep understanding of agricultural problems. I believe he will agree with me that one of the great problems affecting agriculture today is the problem of the tremendous overhanging surpluses and stores of foodstuffs which the Commodity Credit Corporation now has. So long as they are hanging over the market, they are bound to have quite a substantial effect upon the price in the market place; and if there were any major liquidation

of such stocks in the market place, probably even the market price would not be a very realistic one. So there is some advantage to the general price structure if the disposals can be made to the Army or to other agencies which will put the commodities to beneficial use, and at the same time gradually cut down the huge stocks which we have.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I thoroughly agree with the distinguished Senator from California that neither the Congress nor the country wishes to have good food spoil. It was with that policy in view that the Senator from Florida requested the statement and the table which have now gone into the RECORD, the Senator from Florida holding the belief that perhaps a large portion of the entire amount charged off—which I believe was some \$609 million—might have been the result of spoilage. The statement shows quite clearly that such is not the case. I read the following key sentence from the statement prepared by the Commodity Credit Corporation:

It is the policy of CCC to dispose of commodities which are spoiled or deteriorated as soon as their condition becomes known. Therefore it is unlikely that a large quan-

tity of spoiled or deteriorated commodities remain in inventory at any particular time.

The statement goes on to say that since interest was expressed in this particular subject in 1952, the Department undertook, at the end of the fiscal year 1953, that is, in July 1953, to keep a monthly statement as to losses due to spoilage and shrinkage. That is the way they are shown.

The total losses shown for 5 months—the only period, so I am advised, that is covered by this particular type of breakdown of information—that is, the months from July through November, ending November 30, 1953, were \$5,190,761.05.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Might it not be quite possible, however, that some of those supplies which were finally made available to the Army and other agencies would, if they had been kept for a period of months, or a year or so longer, have been subject to greater spoilage? I do not know just how long certain of these commodities can be kept. Certainly the Corporation would attempt to move those which had been in stock for the longest time. I assume that would



be the normal inventory-control method of handling such commodities. But it is quite possible that, had there not been certain disposals to the Army and other agencies, there might have been more spoilage than the distinguished Senator has pointed out in the report, which I am glad he has filed for the RECORD.

Mr. HOLLAND. Of course, there is some merit in the position suggested by the distinguished Senator from California. At the same time, the spoilage in the first 5 months of the fiscal year 1954, according to the report shown by the Commodity Credit Corporation, is just about \$1 million a month, and no more.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. The statement further shows that it has been the fixed policy of the Commodity Credit Corporation to keep its business in such shape that spoilage will never be large at any particular time. There is no showing here of any departure from that situation at the time the inventory was taken, in July 1953.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Of course, even granted that that amount of spoilage is not large when compared to the overall supplies, nevertheless, it seems to me very unfortunate that there must be even that much spoilage, because \$1 million a month, if I correctly understood the Senator's figure, is still quite a bit of money, even in these days of billion-dollar budgets.

Mr. HOLLAND. The Senator is correct.

Mr. KNOWLAND. I still have not quite become adjusted to thinking of \$1 million a month as being chicken feed. I wish to say to the distinguished Senator that under these circumstances, whenever we have that type of spoilage, obviously the entire amount is charged to the agricultural funds. Is not that correct?

Mr. HOLLAND. It would appear in a different place in the inventory. The Senator will note that there is another figure, something over \$100 million, which is represented as a charge for sales in 1953. That, as the Senator from Florida understands, covers losses upon all sales, handlings, or dispositions during that year. However, I will say to the Senator from California—and I have much sympathy with his position—that I wish he would carry his thinking a little further. If he did, he would find that this loss of \$1 million a month, which he very properly states is not to be sneered at, is just twice as much as the daily loss which the Nation is now sustaining because of payment for warehousing, refrigeration, and storage costs. In other words, the costs of this program due to the operation of the 90 percent rigid, fixed support—and that is the principal reason for this huge surplus, in the opinion of the Senator from Florida—are mounting until they are simply tremendous.

When we talk about a loss of \$500,000 each day due to the payment of warehousing and refrigeration costs, the Sen-

ator can understand that even a million dollar loss a month due to spoilage becomes insubstantial as compared with other costs in connection with this program.

Mr. KNOWLAND. I will ask the distinguished Senator from Florida whether that does not make even more important the fact that if they have been able to make certain disposals to the Army and to other agencies, to that extent at least they have cut down the warehousing program?

Mr. HOLLAND. I am not advised as to whether there was a transfer from one warehouse to another, as might have been the case. It may be that the Army took the commodity over right at the warehouse where it had been stored. The Army did not use all of it at once. Regardless of that point, however, I insist that there is no justification for writing into this computation of the average market price during the month of June what was nothing in the world but a salvage sale of this immense quantity of butter to the Army, and what was nothing more than an outright gift of more than 28,000,000 pounds of butter, which was given away free in the same month of June.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished chairman of the committee.

Mr. AIKEN. I should like to point out to the Senate that we are actually making progress in getting an estimate of the losses due to spoilage. For the first 5 months of fiscal 1954 we have accomplished something we had been trying to do in vain for the 3 previous years. The Senator from Florida may well recall that when we were holding hearings on the thefts of Government commodities we tried to get an estimate from the Commodity Credit Corporation as to the losses due to spoilage, and we never could get anything from them. They said their books were not set up in that way. I believe they were telling the truth when they said that; but, their books should have been set up that way.

Mr. HOLLAND. I thank the Senator from Vermont for making that contribution by saying that there is some little rift in the clouds through which we can see a bit of blue sky. The Senator from Florida has been, and is now, as he stands upon the Senate floor, alarmed at the way these surpluses are piling up, and in that way destroying the very confidence of the people for which the Senator from Vermont expressed so much concern a few minutes ago.

The Senator from Florida believes that so long as Congress continues with a rigid, high support-price program, which was a war measure pure and simple, and the only war measure that he believes is being continued, as an invitation to create—and that is what it is—these huge surpluses, we are not going to get anywhere through some little minor improvement, which may enable us to have a little clearer picture of the situation.

Mr. AIKEN. Mr. President, will the Senator from Florida permit me to make an observation?

Mr. HOLLAND. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to make an observation which is not quite so encouraging. The Senator from Florida has pointed out that the price of butter to the armed services was very low. I understand that the armed services would not pay any more. They were not interested in it anyway. However, they would take it at 12½ or 15 cents a pound.

In financing the armed services out of agricultural appropriations, we have completely reversed the situation. Formerly, when the Commodity Credit Corporation would get into trouble, it would unload its troubles onto the armed services.

Mr. HOLLAND. I appreciate the fact that the Senator from Vermont has verified what I have been trying in my feeble way to state on the floor of the Senate, namely, that the farmers have been imposed upon. It is not Congress that is being imposed upon, but it is the farming industry that is being imposed upon.

Mr. AIKEN. That is correct.

Mr. HOLLAND. It is an imposition upon the price-support program.

Mr. AIKEN. It seems to me that although the Senator from Florida and I disagree on the question of approval of the conference report, tremendous good can come from the discussion on the floor of the Senate this afternoon, if we do nothing more than put the provisions of the law in such language that we will never have to go through this again.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. I wish to say to the Senator from Florida and other Senators that I am more worried about the situation because of what it could mean to other programs. That is my main concern today. Just above the item of dairy products there is the item of cotton. The report states that the value of cotton is based upon the average price of 15/16-inch Middling cotton on the 10 designated spot markets as published by the Department of Agriculture in the Cotton Price Statistics for the month of June. That is what the law provides. That is what they should have done. That is what they did do.

However, they did not do it in the case of dairy products. How do we know, Mr. President, that they will not say, "The law says we should do it on cotton, but we will not do it on cotton. We have 10 million bales of cotton, and we will dump the cotton." What would happen then?

Mr. President, we should not talk that way. They will not dump the cotton. There will be no unloading of 10 million bales of cotton.

However, if they can do it in the case of dairy products, why can they not also do it in the case of cotton or peanuts or any of the other products?

They have made sales to the Army and have averaged them in at 15 cents a pound in order to cut down their inventory. I say that is not fair to the dairy farmers. I sold my dairy herd, numbering 400 animals. However, I feel just as keenly about it, because there are



other dairy farmers who are holding their herds, and they will not be pleased.

I do not know how any Senator who has dairy farmers in his State can appreciate what has been done with respect to these products.

I do not believe what the Corporation did with respect to wheat and on corn and on other commodities was very much out of line. I believe the reduction in the case of wheat ran to \$120 million or \$150 million. It was the outstanding reduction in the marketplace which took place in the month of June, and it has since corrected itself.

However, if the Commodity Credit Corporation is to live up to the law, it is necessary for them to take the price in the month of June, even though we know wheat is as good as people say it is, as the expression goes, "It is just like wheat in the bin." But they did evaluate it and did mark it down. I do not believe that in the case of dairy products they had a right to use a figure different from that of the market price.

If they can do it with dairy products, they can do it with everything else, including cotton, peanuts, and rice. Congress did not give them that authority. They must stay within the law.

Mr. HOLLAND. I thank the distinguished Senator from New Mexico. I fully approve of all he has said.

I shall conclude my remarks in a few minutes; but I wish to substantiate, at least in some measure, my own statement that the 90 percent support price is a large contributing factor to the debacle in which we find ourselves.

The statement as prepared by the Commodity Credit Corporation shows the following facts with reference to wheat and corn, which are two of the large items in making up this table. This is supposed to be turned back to the Commodity Credit Corporation as new money by the action of the Senate in approving the conference report.

As to wheat, it was written down as \$212.8 million. That is the figure according to the statement I have seen furnished by the committee, and I take it to be the correct amount.

As to corn, it is \$106.2 million.

With respect to milk products, the Senator from Florida knows the price is not a rigid 90-percent support price, but is the support price which has been operative at 90 percent, and which has been inducing overproduction of milk products and overproduction in the three dairy products which are supported as to their prices, namely, butter, cheese, and dried milk. As to the total of those three products, the writedown is about \$150 million.

Mr. President, it seems clear to the Senator from Florida that what we are doing here, if we do it, is to strike at the very people whom we are trying to help, through an accounting system which we never had any intention of setting up, and by writing this whole expense down as an expense of the agricultural price-support program, when much of it should not be so reflected at all. So far as the Senator from Florida is concerned, he does not propose to do it.

I have one more point to make. I asked the Secretary of Agriculture what

percentage of the total of our agricultural production was supported by various support-price programs, whether mandatory or designated. He furnished me with a list showing that the total value in 1952 of cash receipts from the sale of commodities which were in support-price programs was \$14,088,000,000, out of cash receipts from all marketings of \$32,373,000,000.

Perhaps this will be a surprise to some Senators from industrial areas, since we find in these figures that, instead of this being a general price-support program, it applies to much less than half of the cash receipts of the agricultural producing public of the nation, 43½ percent, in all. I am happy to say that 56½ percent is not under price-support programs. Many have asked to be left out of price-support programs, as in the case of the cattle industry and in the case of the potato farmers. The potato program would still have been operating if the potato farmers had not come before the Congress and said, "This thing is destroying the confidence of all our people in the price-support program. It shows a loss to our Nation of half a billion dollars in just a few year. We do not want it; we will not have it."

What we are talking about, therefore, Mr. President, is that the support-price structure affects 43½ percent of the production of the agricultural industries of the Nation. Much less than that figure is under the 90-percent figure in the industries which are making a bad record in producing commodities for Uncle Sam to buy and to store in warehouses, refrigerators, and all kinds of storage places all over the Nation, to such a degree, according to the statement of the Secretary of Agriculture the day before yesterday, that it is costing us \$500,000 every day to pay the warehouse rentals.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that not all farmers at the present time produce commodities which require a flexible program?

Mr. HOLLAND. The Senator is correct. Of the three principal offenders, milk products are the only ones not under the mandatory 90-percent program, though they are under the actual 90-percent program. They should have been, in my judgment, reduced well below that a long time ago.

Mr. JOHNSTON of South Carolina. Is it not true that the Commodity Credit Corporation has the right to refuse a loan?

Mr. HOLLAND. The Senator is correct. I was present at a meeting of the committee at which the Secretary of Agriculture sought the advice of the committee, and the Senator from South Carolina will recall that I felt very strongly that the 90-percent program should have been cut off last year. If it had been cut down much nearer the 75-percent minimum, we would not have had anything like the tremendous production of butter, cheese, and dried milk and these terrible losses to write off.

Mr. JOHNSTON of South Carolina. Does the Senator remember the position

of the Senator from South Carolina and the question he asked at that time?

Mr. HOLLAND. I do not recall that, but, knowing the soundness of the views of the Senator from South Carolina, I hope that his position was like that of the Senator from Florida.

Mr. JOHNSTON of South Carolina. Did I not say to the Secretary that I feared, from the reports being circulated throughout the Nation, the public would feel that the program was causing a great loss to the people?

Mr. HOLLAND. I remember some such comment on the part of my friend, the Senator from South Carolina. I am sorry I cannot remember exactly what he said, but I remember his position was along the line he has stated.

I want to be fair to the Secretary of Agriculture. I think he has a hard job administering a law which he did not pass, but which was approved by a Republican Congress and a substantially similar measure was approved in the next Congress, when not quite a majority was willing to provide an effective date for its termination.

Mr. AIKEN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. The Republican Congress was not responsible for the Korean war. It was under an emergency provision that the program was established. A year ago, in March, we were in a shooting war, and I felt that it would not do to let down. I think the Secretary of Agriculture probably felt the same way.

Mr. HOLLAND. I felt that it was unrealistic at that time. There was already enough butter to cover up the whole Korean front if it could be used in that way. The situation is getting worse and worse.

Mr. AIKEN. There is no question about that.

Mr. HOLLAND. If the Senator will permit me to paraphrase some lines of the Ancient Mariner, we now have a situation where most of our people of modest incomes have reached the point where they can say, "Butter, butter everywhere, but not a bite to eat."

The Senator will agree with me, will he not?

Mr. AIKEN. Yes. I receive letters every day from persons who say they cannot get butter to eat. But I should like to point out that the price of butter is not out of line with what it was 25 years ago. The trouble really started when the price was raised to \$1 a pound, and it was aggravated by the better quality of oleomargarine.

Mr. HOLLAND. Since we see so exactly alike in the coffee situation, I hope the Senator from Vermont will also see the butter situation in the same light. I think the dairy industry is being menaced and that if the situation continues, the support of their product will menace the whole price-support program. People are becoming completely disgusted with it.

Mr. AIKEN. I was pointing out that we had a shooting war, and the Secretary of Agriculture was asked by certain groups to maintain a price at 90 percent of parity. In my opinion, he would have been definitely violating the law if that



had been done. We have now obtained an armistice. We do not know how long it will last, but if we do not get into a new war the situation should improve.

I should like to read the provision of the law which is in title II of the act of 1949, section 201:

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply.

Mr. HOLLAND. Does the Senator think we have an adequate supply?

Mr. AIKEN. Absolutely.

Such price support shall be provided through loans on, or purchases of, the products of milk and butterfat.

I agree that the effort to over-produce has done immeasurable harm to the dairy farmers. There has been talk of purchase and resale programs for butter to be sold to stores at wholesale at 30 cents a pound, so that the consumer will be able to purchase it at 46 or 47 cents a pound.

The cost to this country from April 1, 1954, to April 1, 1955, is estimated to be approximately \$640 million, in the case butter alone, not including the cost of carrying out the powdered-milk and cheese program. That represents trouble in a big way.

Mr. HOLLAND. I presume the Senator from Vermont means if the 90-percent-support program is continued; does he not?

Mr. AIKEN. Yes. If the 90-percent-support program is continued, there will be a cost of \$640 million under the program, which the department seems to lean to more than any other.

The butter could be sold to Russia, the Balkan States, and to North Africa for the going world market price, and the United States could dispose of it by taking a \$200 million loss. I do not want to face the American public if we take butter away from them and send it all to Russia and her allies. That would not do at all.

There is another solution; namely, the practice which was followed in the 1930's. If dairy products are supported at 90 percent of parity, it will be necessary to restrict the amount which can be marketed. Farmers will not like that. It will necessitate a heavy culling of the herds. The dairy farmers probably could be paid for killing about 2 million head of dairy cows, in order to bring supply into line with demand for a time, at least. That might have to be done later. But I do not believe the public would stand for it.

I wish to point out, however, that there are in the United States 6 million families who do not have enough to eat. They are the widows of veterans, crippled persons, and old-age pensioners, who are retired on fixed incomes. If they could receive each day 1 quart of milk, or its equivalent, that would take care of the entire dairy surplus, and it would not cost, if it were given to them outright, more than \$175 million a year. If they were charged half price, the cost would

not be that much. In my opinion, that would be a simple solution. But I agree with the Senator from Florida that we shall be faced with almost insurmountable trouble in the field of dairy products if we do not find a solution of the problem, and find it quickly.

Mr. HOLLAND. I thank the distinguished Senator from Vermont for his rejoinder in which, in the main, he takes the position which I have taken.

Mr. AIKEN. I may say to the distinguished Senator from Florida that I should also hope to see the 6 million low-income families to whom I have referred receive plenty of meat, eggs, and orange juice.

Mr. HOLLAND. I thank the distinguished Senator from Vermont. I am happy to say that while citrus producers have no magic formula, they have increased their production vastly more than have the producers of dairy products. Yet they do not have a support price program, and have not asked for one. They have used their own money to develop such programs as canning, production of citrus concentrates, better distribution, and the like. They are never so highly prosperous as they would wish to be.

The Senator from Vermont knows that he has not heard the citrus industry ask Congress for a price support program, and he is not going to hear it ask for one, because the citrus industry maintains a fair level of prosperity. We simply ask Uncle Sam, in the matter of price support structures, to let us alone.

I have understood that the apple industry, so ably represented by the senior Senator from Virginia [Mr. BYRD], has taken a similar position, as have other industries, including the fruit and livestock industries, which, in the main, make up 56½ percent of the agricultural production of the Nation which is not under price-support programs, and most of which does not wish to be.

Mr. President, I hope the Senate will reject the conference report, and will direct the committee to let stand such matters as the wheat inventory, the corn inventory, and other items, which are supportable, and on which there is a real market price for June 1953, upon which to base a finding, but to cut out of the program such an unrealistic item as the dairy-support price, which would put Congress in the position of approving a method of operation which simply points the way to cutting the heart out of the whole price-support program by means of manipulation in June of every year.

Mr. YOUNG. Mr. President, I wish to take only 2 or 3 minutes in which to reply to what I consider to have been an unwarranted attack upon the 90-percent price-support program for basic commodities.

First, I ask unanimous consent to have printed at this point in the RECORD a table contained in the House Appropriations Committee hearings on the Commodity Credit Corporation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Comparison of CCC price-support costs with subsidies and emergency investment*

<b>1. Losses under CCC price-support program:</b>	
Basics .....	\$53, 299, 009
Nonbasics .....	1, 141, 540, 014
<b>Total .....</b>	<b><sup>1</sup> 1, 194, 839, 023</b>
<b>2. Federal expenditures for—</b>	
Consumer subsidies (losses):	
CCC .....	<sup>2</sup> 2, 102, 067, 121
DSC and RFC .....	<sup>3</sup> 2, 143, 281, 385
<b>Subtotal .....</b>	<b>4, 245, 348, 506</b>
Business reconversion payments (including tax amortization) .....	40, 787, 864, 000
Subsidies to maritime organizations .....	<sup>4</sup> 327, 500, 000
Subsidies to airlines .....	<sup>5</sup> 302, 123, 000
<b>Total .....</b>	<b>45, 662, 835, 506</b>
<b>3. Federal investment in—</b>	
Military materiel .....	<sup>6</sup> 129, 000, 000, 000
Food and fiber (CCC inventories) .....	<sup>7</sup> 2, 687, 103, 365
National stockpile of materiel .....	5, 700, 000, 000

<sup>1</sup> From beginning of program in 1933 through November 30, 1953.

<sup>2</sup> From July 1941 through November 30, 1953. The last CCC subsidy program was ended on October 31, 1947, although claims, refunds, and adjustments continued to be processed after that date.

<sup>3</sup> From July 1, 1943, through June 30, 1949. All DSC and RFC subsidy programs were ended by October 14, 1946, but claims, refunds, and adjustments continued to be processed after that date.

<sup>4</sup> Estimated operating subsidies payable through calendar year 1954.

<sup>5</sup> Airmail subsidies through fiscal year 1954.

<sup>6</sup> Deliveries since Korea total \$50 million; balance in pipelines.

<sup>7</sup> As of November 30, 1953. Includes price support, supply and foreign purchase, and emergency feed programs.

Mr. YOUNG. Mr. President, the table indicates, among other things, business reconversion payments, including tax amortization, at a cost to the Federal Government of a little more than \$40 billion. That was part of the cost of helping business recover as a result of the war.

As late as 1950 cotton and wheat farmers had voted for quotas, because they desired to reduce production and hold down surpluses. But when the Korean war began, quotas were canceled. Instead, the Department of Agriculture asked farmers to increase their production drastically.

Let us consider the present situation. In June 1950 Korea became a battleground. The Secretary of Agriculture at that time, with a history of the past war before him, issued, in the form of press releases, urgent appeals to farmers to produce more and more, so that this country would be adequately prepared for any eventuality. This was the conservative and proper course to pursue.

That policy was not followed with respect to citrus and other fruits or commodities of that kind.

On February 2, 1951, the Secretary of Agriculture said:

Full production from American farms is essential in the defense effort.



A goal of 90 million acres of corn was established for 1951.

On July 20, 1951, the Secretary of Agriculture said:

The announced 1952 crop goals are designed to fill all known requirements and to maintain or build stocks as safeguards in the defense emergency.

On November 29, 1951, the goals for 1952 were announced with the following statement by the Secretary of Agriculture:

The need for agricultural production in 1952, especially feed grains, is the greatest we have ever faced. The goals we have set will challenge our productive capacity.

In 1952, the support price levels were 90 percent of parity. The corn production requested was 3,375,000,000 bushels. On March 20, 1952, the Secretary of Agriculture stated:

Unless more corn and other feed grains are planted by farmers this year than is indicated in yesterday's report on farmers' intentions, we will face a serious situation in our feed grain supplies.

On December 23, 1952, a goal of 3,350,000,000 bushels of corn was requested for 1953.

Last year the Department of Agriculture asked corn producers to increase their production. The farmers complied as well as they could, but they did not have a written order, so those who had to sell received much less than they had a right to expect. They did not have a written order when they prepared similarly for World War II.

The same Government ordered tanks, planes, and other equipment for war, and the producers of those implements were guaranteed the cost of production plus a profit. Should we condemn producers of basic commodities for surpluses thus created?

Many persons seem to have the opinion that the farmers have received an exorbitant price for the butter which the Government is holding. Actually, by Government standards, the farmers have received only 90 percent of a fair price.

It is true that the program may be unworkable, but let us not allow the impression to go forth to the American people that they have received too much as wages for producing butter or any other farm product.

The **PRESIDING OFFICER**. The question is on agreeing to the conference report.

Mr. AIKEN. I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Frear	Kilgore
Anderson	George	Knowland
Barrett	Gillette	Langer
Beall	Gore	Lehman
Burke	Hayden	Long
Bush	Hendrickson	Mansfield
Butler, Nebr.	Hennings	Martin
Byrd	Hickenlooper	Maybank
Carlson	Hill	McClellan
Casc	Holland	Monroney
Clements	Humphrey	Murray
Cordon	Hunt	Neely
Daniel	Jackson	Payne
Dirksen	Johnson, Colo.	Purtell
Dworshak	Johnson, Tex.	Robertson
Ellender	Johnston, S. C.	Russell
Ferguson	Kennedy	Schoeppel

Smith, Maine	Stennis	Williams
Smith, N. J.	Symington	Young
Sparkman	Welker	

The **PRESIDING OFFICER**. A quorum is present. The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll. Mr. KNOWLAND. I announce that the Senator from Nevada [Mr. MALONE], the Senator from Utah [Mr. WATKINS], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Colorado [Mr. MILLIKIN] is absent by leave of the Senate.

The Senator from Utah [Mr. BENNETT], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kentucky [Mr. COOPER], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Nebraska [Mr. GRISWOLD], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], the Senator from Michigan [Mr. POTTER], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Minnesota [Mr. THYE], the Senator from New Hampshire [Mr. UPTON], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. KUCHEL], and the Senator from Oregon [Mr. MORSE] would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senators from North Carolina [Mr. HOEY and Mr. LENNON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I announce further that if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Oklahoma [Mr. KERR] would each vote "yea."

The result was announced—yeas 49, nays 10, as follows:

YEAS—49		
Alken	George	Knowland
Barrett	Gillette	Langer
Beall	Gore	Lehman
Bush	Hayden	Long
Butler, Nebr.	Hendrickson	Mansfield
Carlson	Hennings	Martin
Case	Hickenlooper	Maybank
Cordon	Hill	McClellan
Daniel	Humphrey	Monroney
Dirksen	Hunt	Murray
Dworshak	Jackson	Neely
Ellender	Johnson, Colo.	Payne
Ferguson	Johnson, Tex.	Purtell

Robertson	Smith, N. J.	Welker
Russell	Sparkman	Young
Schoeppel	Stennis	
Smith, Maine	Symington	

NAYS—10

Anderson	Frear	Kilgore
Burke	Holland	Williams
Byrd	Johnston, S. C.	
Clements	Kennedy	

NOT VOTING—37

Bennett	Green	Millikin
Bricker	Grissold	Morse
Bridges	Hoey	Mundt
Butler, Md.	Ives	Pastore
Capehart	Jenner	Potter
Chavez	Kefauver	Saltontall
Cooper	Kerr	Smathers
Douglas	Kuchel	Thye
Duff	Lennon	Upton
Eastland	Magnuson	Watkins
Flanders	Malone	Wiley
Fulbright	McCarran	
Goldwater	McCarthy	

So the report was agreed to.

## PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. KNOWLAND. What is the unfinished business?

The **PRESIDING OFFICER**. The unfinished business is Senate Joint Resolution 1.

Mr. KNOWLAND. Mr. President, for the information of Senators, I am about to move that the Senate take a recess until tomorrow, but I shall be glad to yield to Senators who have material to place in the RECORD, or remarks to make.

Tomorrow we hope to take up Order of Business No. 928, which is Senate bill 1386, otherwise known as the coffee bill. I have discussed this bill with the minority leader, the Senator from Texas [Mr. JOHNSON].

Also it is hoped that we may consider Order of Business No. 854 which is Senate Joint Resolution 12.

I hope some other measures will be ready tomorrow. I shall give advance notice to the minority if it is proposed to consider other measures.

I am very hopeful that we can dispose of a great deal of our work so that the Senate can take a recess on Thursday evening until Monday, in order to enable Senators to clear up some of the work which has been accumulating in their offices.

## JUVENILE DELINQUENCY

Mr. HENDRICKSON. Mr. President, the Subcommittee on Juvenile Delinquency held a community hearing in Boston, Mass., on January 28, 29, and 30.

In our judgment, the results of these public hearings have already stimulated a good deal of action at the local level and this, we are all agreed, is a most healthy condition.

Our subcommittee received a maximum amount of assistance from the local authorities, and the entire proceedings demonstrated to me anew that the Federal Government, through this subcommittee, can achieve a real public good by providing leadership at the local level without superimposing a huge new Federal program upon the States and localities.









Public Law 295 - 83d Congress  
Chapter 7 - 2d Session  
H. J. Res. 358

JOINT RESOLUTION

All 68 Stat. 14.

To discharge indebtedness of the Commodity Credit Corporation.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

The Secretary of the Treasury is hereby authorized and directed to discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by cancelling notes issued by the Corporation to the Secretary of the Treasury (1) in the amount of \$550,151,848 for the capital impairment determined by the appraisal of June 30, 1953, pursuant to sections 1 and 4 of the Act of March 8, 1938 as amended (15 U. S. C. 713a-1, 4); (2) in the amount of \$129,553,795 for the net costs during the fiscal year 1953 (including interest through the date of enactment hereof) under the International Wheat Agreement Act of 1949 (7 U. S. C. 1641-1642); and (3) in the amount of \$2,064,060 for the funds transferred and expenses incurred through the fiscal year 1953 (including interest through the date of enactment hereof) under the head "Eradication of foot-and-mouth and other contagious diseases of animals and poultry" pursuant to authority granted in the Department of Agriculture Appropriation Act, 1953.

Approved February 12, 1954.

